

# NATION'S BUSINESS



August

1927

Prosperity but no Profits  
by Alexander C. Brown

*The Black Shadow of the  
Skyscraper* by Henry H. Curran

Candy, A Billion Dollar  
Muddle by William Boyd Craig

*The Next Step to Tax Reduction*  
by Representative W. R. Green

*Map of Nation's Business, Page 54*



Published at Washington by the Chamber of Commerce of the United States

A QUARTER OF A MILLION CIRCULATION



SINCE 1858, THE WORLD'S LARGEST MAKERS OF QUALITY BAGS

# 5 Bag Economies for Shippers



✓	Lower Container Cost
✓	Lower Packing Expense
✓	Less Warehouse Space
✓	Lower Tare Weight
✓	Fewer Damage Claims

**H**OW MANY of these economies interest you? All of them, of course! Even a small saving on unit packing and shipping costs quickly runs into money. The more goods you ship, the more urgent your reason for investigating bags.

It's a rare industry that cannot utilize the convenience of bags. Their ready adaptability made them long ago the preferred container for all types of foodstuffs, grains and stock feeds. Today, Bemis-made bags carry such unrelated articles as fresh meats and dry chemicals—cleansers and coal—metal castings and dry glue—and scores of others.

Perhaps your particular product can be marketed better in Bemis Bags. We will help you find out. Sixty-nine years of bag experience are at your service, without cost or obligation. Write today to the address below.

**BEMIS BRO. BAG CO.**  
Address: General Sales Offices, ST. LOUIS, U. S. A.

**Bag Factories**  
ST. LOUIS  
MINNEAPOLIS  
OMAHA  
NEW ORLEANS  
SAN FRANCISCO  
INDIANAPOLIS  
MEMPHIS  
KANSAS CITY  
SEATTLE  
WINNIPEG  
HOUSTON  
BROOKLYN  
BUFFALO  
WICHITA  
WARE SHOALS, S.C.

**Cotton Mills**  
ST. LOUIS  
INDIANAPOLIS  
BEMIS, TENN.

**Bleachery**  
INDIANAPOLIS

**Paper Mill**  
PEORIA



Well-branded BAGS possess strong sales and advertising value.



One man does the work of two or three with easy-to-handle BAGS.



Lower freight costs—aided by BAGS—often open up new markets.

# BEMIS BAGS



Isn't it reasonable to suppose that our nation-wide contact with industry will be of benefit to you in a discussion about containers? Let us prove that it will.

COTTON ~ BURLAP ~ PAPER ~ PRINTED OR PLAIN



# INDUSTRIAL BUILDINGS

*Complete from Standardized Units-for Immediate Delivery*



BUILDINGS BY TRUSCON  
FOR GENERAL MOTORS CORPORATION  
IN NEW ZEALAND

## TRUSCON

### SERIES "A" BUILDINGS WITH PITCHED ROOFS



SERIES "A"-TYPE 1



SERIES "A"-TYPE 2



SERIES "A"-TYPE 3



SERIES "A"-TYPE 3-M



SERIES "A"-TYPE 4



SERIES "A"-  
SAWTOOTH TYPE

*Buildings by Truscon* consist of standardized units, combined in innumerable ways with any arrangement of windows or doors and individually designed roofs. Truscon Buildings are non-combustible, of the highest quality and the most economical for the money invested; you secure exactly the building you need — ready for occupancy in a few weeks and at a marked saving.

*Let us tell you* how we work with you or your architect or contractor on preliminary recommendations, designs and estimates, and how completely we relieve you of responsibility and detail. For further information write for our illustrated building book.

Steeldeck Roofs for Truscon Buildings  
are Insulated and Waterproofed

Light weight, firesafe, permanent roof decks of copper alloy steel. Suitable for all types of buildings with straightaway, flat, pitched or slightly curved roof.

TRUSCON STEEL COMPANY, YOUNGSTOWN, OHIO, U. S. A.  
ESTABLISHED 1903

Manufacturers of a Complete Line of Permanent Building Products.  
Warehouses and Offices in all Principal Cities. Dealers Everywhere.  
Foreign Trade Division: New York. The Truscon Laboratories, Detroit.  
Trussed Concrete Steel Co. of Canada, Limited, Walkerville, Ontario



*Return Coupon  
for this  
Building Book  
No Obligation*

### SERIES "B" BUILDINGS WITH FLAT ROOFS



SERIES "B"-TYPE 1



SERIES "B"-TYPE 2  
WITH LANTERN



SERIES "B"-TYPE 3



SERIES "B"-TYPE 3-M



SERIES "B"-TYPE 4



SERIES "B"-TYPE 4-M

TRUSCON STEEL COMPANY, YOUNGSTOWN, OHIO

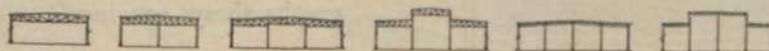
☐ Please send me the book "Buildings by Truscon." We are interested in a building for \_\_\_\_\_ approximate size \_\_\_\_\_

Type as checked below

☐ Type 1 ☐ Type 2 ☐ Type 3 ☐ Type 3-M ☐ Type 4 ☐ Sawtooth Type



☐ Type 1 ☐ Type 2 ☐ Type 3 ☐ Type 3-M ☐ Type 4 ☐ Type 4-M



Mail without obligation, literature and information on items checked below

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> Steel Windows | <input type="checkbox"/> Fireproof Construction | <input type="checkbox"/> Boxes and Platforms      |
| <input type="checkbox"/> Metal Lath    | <input type="checkbox"/> Engineering Service    | <input type="checkbox"/> Foundry Flasks           |
| <input type="checkbox"/> Steel Joists  | <input type="checkbox"/> Reinforcing Pavements  | <input type="checkbox"/> Waterproofing and Paints |
| <input type="checkbox"/> Steel Doors   | <input type="checkbox"/> Steel Poles            | <input type="checkbox"/> Cement Roofing Tile      |

Firm Name \_\_\_\_\_

Individual \_\_\_\_\_

Address \_\_\_\_\_

N. B. 8-27





One cannot carry an iceless refrigerator or a radio into the prospect's home. Tell your story just as effectively with interesting convincing photographs.



... Transportation service selling can be made easier by intelligent use of interesting photographs.

If you're a realtor, carry photographs of the homes you list. ....



# Mold ~ Public Opinion ..... illustrate with Photographs

PHOTOGRAPHS show people what they're getting for their money—whether it's refrigerators, residences or railroad tickets! Photographs reveal value truthfully. Properly made and reproduced, they will add new interest and new vigor to your selling message—give truthful emphasis to your claims. They mould public opinion quickly and effectively. Where words fail, photographs always convince!

## PHOTOGRAPHS *Tell the Story*

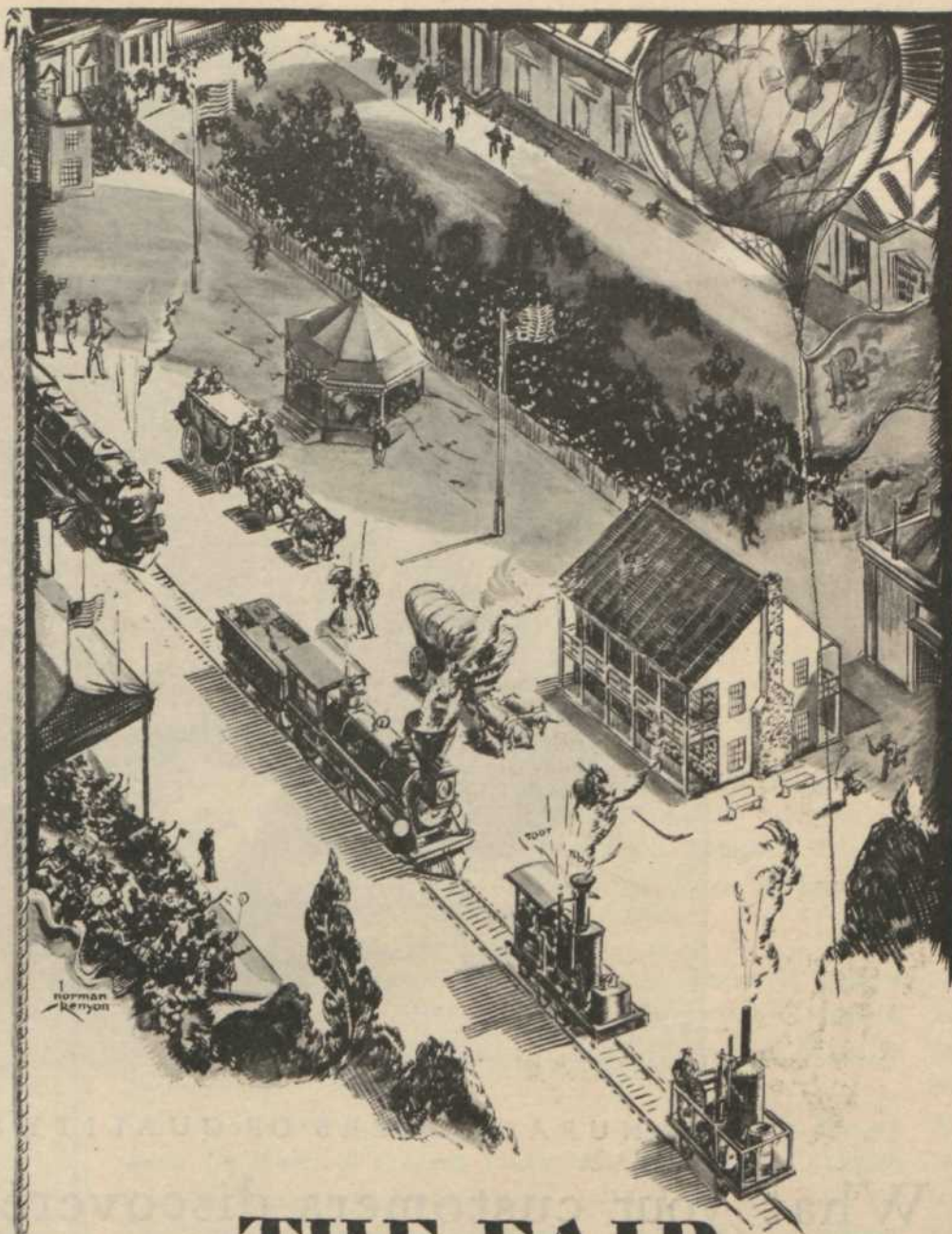


One hundred years of the American railroad! A vibrant, pulsating, intensely human record of the passing decades of the first century of rail transport. An exhibition—a miniature world's fair—will show not only the technical details of the development of the railroad but its broader phases as they have helped make railroad life for a hundred years. A dramatic pageant showing in detail the growth of inland transport in America—by highway, by waterway, by railroad.

From the tiny *Tom Thumb* of 1829, the original forefather of locomotives, to the ponderous freight and aristocratic passenger pullers of today . . . The curious "grasshoppers" of the 'thirties . . . the "camels" of the 'forties . . . Civil War engines, veterans with real fighting records . . . All these—and many others—will move under their own steam.

To properly display this pageant of transportation progress, there has been laid down in Baltimore a circular track, upon which the parade will move. A grandstand to seat more than 12,000 persons has been erected. And other buildings, chief of them all a Hall of Transportation, five hundred feet in length, containing exhibits showing the development of the railroad in its every phase. More than a thousand people will be employed in the production.

NO ADMISSION CHARGE. Reserved seat tickets—as long as they last—and information as to special trains, and special rates, may be had on application to the nearest Baltimore & Ohio agent or to The Centenary Director, Baltimore & Ohio Railroad, Baltimore, Maryland.



# THE FAIR OF THE IRON HORSE BALTIMORE & OHIO

*Centenary Exhibition and Pageant*

BALTIMORE, MD., SEPTEMBER 24 TO OCTOBER 8, 1927

*An Historical Exposition Depicting the Progress in*

*One Hundred Years of  
Railroading, 1827-1927*



When writing to BALTIMORE & OHIO RAILROAD please mention Nation's Business





### "The Forges"

We are privileged to reproduce here one of a series of drawings of industrial subjects by the late Joseph Pennell, one of America's great artists. Courtesy of the J. B. Lippincott Co.

TO MANUFACTURERS OF QUALITY PRODUCTS

## What your customers discovered about you

When you said to yourself, "I shall make a fine product and sell it at a fair price," you took your stand for quality.

Others have said, "Many people want bargains. I'll cut my costs to fit the lowest prices," ... a constant temptation to compromise on quality.

Your business based on quality products may have grown slowly, but it grew steadily; for the public has a way of finding out that quality, best in the beginning is best in the end, and cheapest all along. This sound sense in buying.

among users of machinery, has carried us a long way in the lubrication business.

### Efficient Lubrication: Its Importance

Last year, 17,106 pieces of machine equipment were shipped by their builders to plants throughout the United States, accompanied by recommendations that specific Gargoyle Lubricating Oils



**Lubricating Oils  
for Plant Lubrication**

be used to ensure efficient operation. The manufacturers took this step because the useful life of their equipment depends on the use of precisely correct oils. It is a far more difficult problem for the Vacuum Oil Company to make lubricating oils that will produce operating economies, than to make cheap oils to sell at a price.

After our oils are installed in a plant our engineering staff co-operates with the operating personnel to maintain effective lubrication results.

Our oils and our services are available throughout the world.

## Vacuum Oil Company

HEADQUARTERS: 61 BROADWAY, NEW YORK. BRANCHES AND DISTRIBUTING WAREHOUSES THROUGHOUT THE COUNTRY

*When writing to VACUUM OIL COMPANY please mention Nation's Business*





### PARADOXES in a month's news:

Canada celebrates her national birthday . . . and Iroquois hold pow-wow near Montreal to regain former glory.

New York leads as manufacturing center . . . and value of box at Metropolitan opera house is rated at \$120,000.

Truck suppliants camel in Persian caravans . . . and Shriners parade at Atlantic City in deluge of rain.

Correct English is a myth, says George Bernard Shaw . . . and Premier Baldwin abandons reform of House of Lords.

Senator Owen defends direct primaries . . . and demand for vacuum cleaners rises.

Britain asks cut in ships and guns . . . and the *Constitution* goes into Boston dry-dock for overhauling.

Oxford University approves ratio of one woman to four men . . . and twelve thousand Americans sail for Europe in one day.

Newspaper publishing is rated a billion-dollar business . . . and Ivy Lee is paid \$200,000 for Interborough Rapid Transit publicity.

Movie stars face sharp salary cuts . . . and New York producer plans chain of thirty-six popular price "legit" theaters.

Sioux Indians claim rich Black Hills . . . and New England adopts new economic code.

Anti-Saloon League says students are drinking less . . . and New York builder sees fire peril in serving pantries.

Million-dollar incomes increase from 75 to 207 . . . and Fathers' Day is celebrated.

Pageant of movie stars at Atlantic City fizzles with \$167,000 loss . . . and more bathing suits are sold in inland cities than at ocean resorts.

Four thousand municipal airports in use . . . and twenty-fifth anniversaries of the "20th Century" and "Broadway" limiteds are celebrated.

Ford's new car keeps motor world guessing . . . and Alaskan reindeer industry grows.

Mrs. Catt denounces D. A. R. "Red" hunt . . . and Soviet artists' union denounces Chaliapin.

Fundamentalists acquire Des Moines University . . . and Putnam expedition shoves off for the Arctic.

**A**T THIS season of the year, small boys used to be warned against rabid dogs. Nowadays we need to be saved from mad dogmas.

**J**UST by way of showing, possibly, that ingenuity is as useful in announcing vacations as in planning them, the Lillibridge Advertising Agency, of New York, contrived a cut-out folder to herald the complete shut down of its offices from July 23 to August 8. On the cover is revealed an office scene, with the simple eloquence of

## Table of Contents

*Linoleum Block Cover Decoration by Balcom*

ON PLAYING HUNCHES.....	MERLE THORPE	13
PROSPERITY BUT NO PROFITS.....	ALEXANDER C. BROWN	15
Cartoons by C. R. Macauley and Nelson Harding		
CANDY, A BILLION DOLLAR MUDDLE.....	WILLIAM BOYD CRAIG	17
EUROPEAN NOTES FROM A YANKEE CUFF.....	WILLIAM FEATHER	20
Illustrations by Richard T. Salmon		
THE BLACK SHADOW OF THE SKYSCRAPER.....	HENRY H. CURRAN	22
THE NEXT STEP TO TAX REDUCTION.....	WILLIAM R. GREEN	25
Cartoon by Cesare		
A FRENCHMAN TALKS FRANKLY ABOUT US.....	MERLE THORPE	28
VIOLET RAY, THE NEW DAIRY MAID.....	JAMES L. WRIGHT	31
BABBITT THROUGH THE AGES—A CARTOON.....	CHARLES DUNN	33
EDITORIALS.....		34
AUSTRALIA TAKES A LOOK AT US.....	RAYMOND C. WILLOUGHBY	36
Cartoons by Charles Forbell		
BUREAUCRACY PUTS OUT TO SEA—II.....	CHESTER LEASURE	39
Illustration by Nelson Harding		
THE BOSS OF THE BIGGEST JOB AT WORK.....	JOHN T. LAMBERT	42
Decorative Drawings by E. H. Suydam		
RARE BOOKS, A BUSY MAN'S PASTIME.....	ROBERT L. BARNES	45
THE COST OF HELPING FARMERS GROWS.....	WILLIAM P. HELM, JR.	47
Cartoon by Albert T. Reid		
LIBERATED TRADE, NOT "FREE TRADE".....		50
THE MAP OF THE NATION'S BUSINESS.....	FRANK R. GREENE	54
THE LIFE OF A PIONEER MERCHANT—IV...	HERBERT ADAMS GIBBONS	58
KEEPING FOOD FIT THE YEAR ROUND.....	IRMA L. WALLACE	64
RECENT FEDERAL TRADE CASES.....		66
SHOWING THE CUB HOW TO DO IT.....	THOMAS L. MASSON	68
WHAT THE WORLD OF FINANCE TALKS OF....	MERRYLE S. RUKEYSER	72
BANKERS DISAGREE ON LOANS ABROAD.....		80
CHIPS FROM THE EDITOR'S WORK BENCH..	RAYMOND C. WILLOUGHBY	82
BUSINESS VIEWS IN REVIEW.....	ROBERT L. BARNES	86
NEWS OF ORGANIZED BUSINESS.....		96
ON THE BUSINESS BOOKSHELF.....		102
GOVERNMENT AIDS TO BUSINESS.....		106
HUMAN NATURE IN BUSINESS.....	FRED C. KELLY	107

Vol. 15

## NATION'S BUSINESS

No. 9

*Published Monthly by the Chamber of Commerce of the United States, Washington, D. C.*

MERLE THORPE, Editor and Publisher

Managing Editor  
WARREN BISHOP

Business Manager  
J. B. WYCKOFF

Director of Advertising  
GUY SCRIVNER

Circulation Managers  
O. A. BROWN  
L. F. HURLEY

GENERAL OFFICES: WASHINGTON, D. C.

Editorial Staff  
CHESTER LEASURE  
RAYMOND WILLOUGHBY  
WM. BOYD CRAIG  
ROBERT L. BARNES  
WILLARD L. HAMMER

New York  
Graybar Bldg.  
Detroit  
General Motors Bldg.  
Chicago  
Metropolitan Bldg.

Branch Offices  
St. Louis  
Chamber of Com. Bldg.  
Cleveland  
Keith Bldg.  
Pittsburgh  
Chamber of Com. Bldg.  
San Francisco  
Merchants Exchange Bldg.  
Philadelphia  
Chamber of Com. Bldg.

SUBSCRIPTION RATES: Three years, \$7.50; one year, \$3.00; single copies, 35 cents.  
As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers to which expression is given.



# American Exchange Irving Trust Company

NEW YORK

## Statement of Condition, June 30, 1927

### RESOURCES

Cash on Hand and Due from Banks . . . . .	\$126,683,989.49
Exchanges for Clearing House . . . . .	94,515,448.78
Call Loans, Commercial Paper and Loans eligible for Re-discount with Federal Reserve Bank . . . . .	107,123,012.05
United States Obligations . . . . .	64,083,183.79
Short Term Securities . . . . .	44,262,797.36
Loans due on demand and within 30 days . . . . .	84,741,994.90
Loan due 30 to 90 days . . . . .	64,272,438.68
Loans due 90 to 180 days . . . . .	59,833,108.32
Loans due after 180 days . . . . .	3,503,370.42
Customers' Liability for Acceptances (anticipated \$2,674,052.21) . . . . .	41,732,505.93
Bonds and Other Securities . . . . .	12,343,349.69
New York City Mortgages . . . . .	8,903,924.68
Bank Buildings . . . . .	3,534,973.01
	<u>\$715,534,097.10</u>

### LIABILITIES

Deposits . . . . .	\$551,151,169.16
Official Checks . . . . .	53,496,077.97
Acceptances (including Acceptances to Create Dollar Exchange) . . . . .	44,406,558.14
Discount Collected but not Earned . . . . .	1,262,228.88
Reserve for Taxes, Interest, etc. . . . .	2,325,586.21
Dividend Payable July 1, 1927 . . . . .	1,120,000.00
Capital Stock . . . . .	32,000,000.00
Surplus and Undivided Profits . . . . .	29,772,476.74
	<u>\$715,534,097.10</u>

its empty chairs and its vacant desk. Through the window is seen the city's jagged skyline, which "begins to lose its attraction and all of us begin to think of our favorite spots." Inside is a view of mountain and lake, and the information that

for eleven years now we have followed the custom of closing our office for two weeks and all taking our vacations at the same time. Our clients and we have found it much more satisfactory than the piecemeal system of vacationing that half cripples an organization all summer long.

Well and good, but what if the custom should spread? Even though half the world wonders at times why the other half lives, all hands could not be let off at the same time to go a-junketing. Perhaps that is a Lillibridge not to be crossed until the rest of us come to it.

AS THE next step in avoiding waste in industry, why not round off all the square pegs or square all the holes?

EVERY time we get steamed up about mass circulation and the figures to prove it, we can always keep our editorial heads by turning to assurance of the Bible's world-wide distribution. In China alone, the American Bible Society reports, last year's distribution amounted to 3,821,393 Bibles, testaments, and parts of the scriptures—"an increase of close to 100,000 over the preceding year." Despite the turmoil and terrorism in China, the polyglot tongues and the irregular mails, the Society turned in the best year's work in its history. By comparison with the tremendous "coverage" reported, the triumphs of publishers in spreading their own specific gospels nation-wide become less impressive. This word from the East is enough to qualify Bruce Barton's comprehensive indictment. For the Chinese, at least, the Bible is a book that somebody knows.

ALBERT E. BOOTH, who keeps store in Ludlow, Massachusetts, is a little indignant because he and Mrs. Booth did not see inside the mint when they were in Philadelphia. It seems unreasonable to him, he writes, that taxpaying citizens in good standing should not be permitted to inspect the people's property. He was eager to take a lesson in money making, he confides, but to no purpose, for—

We were informed that since a robbery at the Denver mint some years ago, visitors were not allowed to go through—much to our disappointment. We told the guard that we were strictly honest, and had all the money we wanted, so that there would be no risk in showing us about. No use, and when I remarked that we had come a long way, and that we came from near Springfield, Massachusetts, the guard told us that Springfield was where they got a lot of good rifles to keep the people out and the money in.

Possibly the Treasury Department's inflexible faith in bars and barriers is only the practical projection of its first Secretary's distrust of the people's responsibilities. And though Hamilton's political philosophy is out of line with the temper of our own times, we still see it symbolized





## Michigan Central Railroad equips over 300 doors with R-W-

*"The doors operate easily year after year. Our satisfaction is indicated by our constant re-orders"*

**J. F. Deimling, Chief Engineer, Michigan Central Railroad, says:**

"In January, 1926, we completed a new 1190 ft. section of our freight house, making the total length 2000 ft.—perhaps the longest railroad freight house in the country. On one side of the freight house are the tracks; on the other side is a roadway where teams and trucks are constantly loading and unloading.

"In the original section of this freight house, which is 10 years old, we used Richards-Wilcox door hardware. Being perfectly satisfied with our 10 years' experience, we naturally selected R-W equipment for the newer additions. R-W equipped doors of the sliding type line the railroad track side of the freight house. On the teaming side, we use a vertical rolling door. All door openings are 9x9 ft.

"In June, 1926, we completed a new inbound freight house of the same type, three sets of tracks away. This building is 590 ft. long, with R-W equipped sliding doors throughout.

"Altogether, we have in these two freight houses over 300 doors equipped with R-W hardware, slides, and trolleys. We also have several FyReWall doors of Richards-Wilcox manufacture, as well as a folding door 17 ft. wide by 12 ft. high.

"At present we are constructing the Michigan Central Fruit Auction Building, which will be equipped throughout with R-W bi-fold and sliding doors and hardware.

"We have never had a complaint about our Richards-Wilcox equipment. The design is right, and the doors operate easily year after year. Our satisfaction is indicated by our constant re-orders."

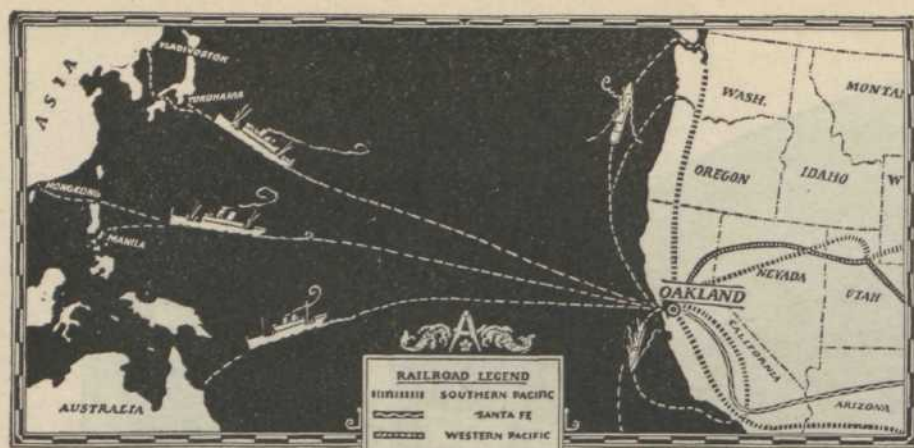
*R-W Engineers will gladly make an analysis of your plant requirements in the matter of doorways and conveying problems, without placing you under any obligation. Just write our nearest branch office.*

### Richards-Wilcox Mfg. Co.

**"A Hanger for any Door that Slides."**

New York • • • AURORA, ILLINOIS, U.S.A. • • • Chicago  
Boston Philadelphia Cleveland Cincinnati Indianapolis St. Louis New Orleans Des Moines  
Minneapolis Kansas City Los Angeles San Francisco Omaha Seattle Detroit  
Montreal • RICHARDS-WILCOX CANADIAN CO., LTD., LONDON, ONT. • Winnipeg





## Get OAKLAND'S location firmly fixed in your mind

**M**ORE people are served at less cost from the vicinity of Oakland than from any other population center on the Pacific Coast.

Study the map. Note Oakland's strategic position as a central manufacturing and distributing point.

The Terminal City for three great transcontinental railroads.

Eleven million dollars are being expended for expansion of its great harbor.

Foreign markets — home markets — millions of people in the eleven western states served most economically from Oakland — more than one and a half million population within a 40 mile radius of Oakland — a great consuming public right at your door.

Ask for a special technical survey of your particular product—it may prove a profitable move for you. Address . . .

... Industrial Department ...

## OAKLAND CHAMBER OF COMMERCE

This advertisement of Oakland and Alameda County is produced co-operatively by the Oakland Chamber of Commerce and the Alameda County Board of Supervisors.



Write  
for it!



OAKLAND { and Alameda County } CALIFORNIA

"Industrial Capital of the West"

When writing to OAKLAND CHAMBER OF COMMERCE please mention Nation's Business

in the cages around bank tellers. Authority, in terms of money is everywhere zealously guarded. It is to our greater cost that we do not take as good care of our political valuables—suffrage, public office, the power of legislation and of judicial determination. From this discrimination of concern, the world can give unflattering judgment of the kind of power to which we attach the most importance.

**A**LMOST half of each dollar received during 1926 by the Pennsylvania Railroad was spent for wages—46.32 cents, a company statement precisely reports. The expectancy that labor would get a large share of this "pie" dollar seems reasonable enough. But a good many guesses probably would go wrong on the share for taxes—5.29 cents, the company says. Dividends were less by about .2 of a cent. Ten years before, federal, state, county and municipal taxes took 4.21 cents of each dollar of income. As the company puts it, "The proportion of the total receipts necessary to meet taxes increased approximately 25 per cent in the ten-year interval."

Only to a man from Mars would it seem amazing that our legislators could lay on new and higher taxes as if there were no limit to the endurance of the taxpayers. For it is the costly experience of American business that a tax once created is likely to go on forever. Governments were making non-stop flights with taxation long before airplanes were invented. Wherever appropriations are political balm and bosses rule, it is always easy to make a party virtue of the command,

Lay on, Macduff,  
And damn'd be him that first cries, 'Hold  
enough'!

**P**ERHAPS it was only kindness that prompted the Census Bureau to use a plain, unmarked envelope to send us its report on the American tobacco industry for 1926. Well, we have nothing to conceal about our personal interest in tobacco—we can take it or leave it. But the fact that touched us most was the rubric notification of postage due. It is one thing for the Census Bureau to take a chance on getting a free lift from the Post Office Department, and it is quite another to have its failure charged to us. To find a pipeful of comfort in the experience should be easy for a philosopher. Like as not, the two cents assessed is a stamp tax on the envelope's Havana filler.

**M**USIC with meals is an expected accompaniment in all countries, but it is only Americans, it seems, who burst into song at odd times in public places. Else European eyebrows would not have lifted when the icehouse octet of Toledo let go at Ostend and London with the rousing reverberations of "We Are Strong for Toledo." A bright spot in America's contingent to the international convention of Rotary Clubs, they loosened the welkin with the famed couplet from "Rotary, My Rotary"—

So louder now my song I'll swell,  
Rotary, My Rotary,  
And make it ring o'er hill and dell,  
Rotary, My Rotary.



Blue flannel shirts, red ice picks, and all, they must have given Europeans a new measure of the tempo of life on this side. Where once the happy guildsman caroled at his bench, the American business man now has reared his community pride. For "singing is our 100-per cent hobby," as one of the delegates told a startled Londoner when a group of Toledoans got off some close harmony at Queen Victoria's statue. Parisians, too, clotted around the singers so thickly that traffic could not proceed until the police shut down the music.

By their wide publicity these adventures may put us in a quicker way of identification abroad. Songs may supplement spectacles as a distinguishing mark of the traveling American. Even now Europe may be ready to believe that business here is just one lilting refrain after another. It should be somebody's job to see that our singing is not confused with any tendency to give the world "the air."

**TOO LONG** is the phrase "daylight saving time" by the measure of Osborn F. Hevener, of the Bank of America, New York City. For abbreviation he submits "Solkeep," and pleads his case with saying that "tons of ink could be saved in printing timetables, not to speak of the salvage of human energy."

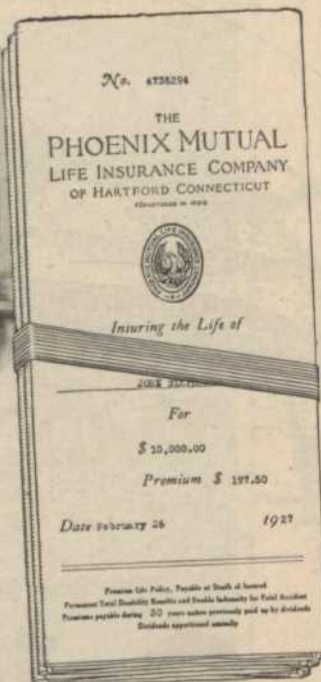
It is true, as he reminds us, that "some of our synthetic words have caught the popular fancy, and Solkeep may be one of them." Readily to mind come "scofflaw" and "spigot bigot" when seining memory for words coined to label new customs or new products. Some of the names catch the popular fancy; others lack that indefinable something that captures favor—"glos" did not "take" as a name for artificial silk, but "rayon" was soon established.

If Mr. Hevener's shorter name for sunshine thrift is accepted, he will have put us in another way of time-saving by making two syllables do for four. As a matter of standards, all the clocks operating on the saving schedules are swearing with both hands to a palpable fib. Put their best faces on though they may, they are lying like gentlemen. For this sort of summer fiction, title hunting might more appropriately be directed to the romance languages.

**NOT ALL** the head shaking over our "spending orgy" is done by confirmed viewers-with-alarm, for occasionally, as shown by a letter from Roy Wakefield, of Waterman, Illinois, a small town merchant gets to wondering what we are coming to. Being in the grain business, he sees

a tendency on the part of the younger farmers toward a straining of their business honesty, due to the lack of ready money and the poor prospect of having any. No one can deny the wild rush on our part to be amused and entertained. The auto plays a large part in the satisfaction of that desire. No one seems to be even trying to save for the future, preferring entirely to live for the moment.

And he is puzzled to know "the tendency of all this? How far-reaching the results?" Even with making allowance that he may be too pessimistic, to him "the matter looks serious from the standpoint of the nation's



## Make your life insurance do what you mean it to do

**YOU** wouldn't give your wife a check for \$10,000 or \$20,000 and say to her, "Here's a check. It's all I have. Invest it as you please or as anyone suggests, but don't ask for my advice."

Yet you are doing that very thing if you have made your life insurance payable to her in a lump sum.

It is not our purpose to point out the unfortunate results that may follow, but rather to remind you that there are ways for you to *make sure* your life insurance will do what you mean it to do.

In fact, there are two ways, each of which has its own advantages. Yet neither should be selected until you have consulted a trained counselor and received the benefit of his experience and advice.

Suppose, for example, you want to have some of your life insurance paid in cash to take care of the immediate needs of your family and the rest of it paid as a monthly income to your wife as long as she lives.

In that event your counselor, whether he is a trained representative of the Phoenix Mutual or the trust officer of a reliable bank or trust company, will show you how your plan may best be carried out through the income settlement privileges of your policies.

But suppose a regular guaranteed monthly income will not fully meet your requirements. Perhaps some member of your family is not in good health and may need extra money from time to time. In other words, your family's needs are such that money must be made available in emergencies — and at someone's discretion.

In that event your counselor will advise you to appoint a reliable trust company or bank to act as trustee of your life insurance as well as any other property you may leave. And you can instruct the trustee to use his discretion in emergencies so that the plan will be flexible enough to meet sudden and unexpected calls for more money.

Whichever method is employed, your wife and family will be relieved of many worries. And the responsibility for the investment of your life insurance will be shifted to a strong financial institution having long years of experience and investment facilities beyond that of any individual.

In a matter of such importance, seek the advice of men of training, character and ability. Talk today with your trust officer. Or write to us. The service will not place you under any obligation and it is far too important to be put off another day. Clip the coupon and mail it now.



**PHOENIX MUTUAL  
LIFE INSURANCE COMPANY**  
HARTFORD, CONNECTICUT

To the PHOENIX MUTUAL LIFE INSURANCE CO., 281 Elm Street, Hartford, Conn.

- ☐ Please ask one of your counselors to call on me at the address and explain the life insurance trust. I am not to be obligated by this request in any way.
- ☐ Please send me a copy of your booklet, "How to Get the Things You Want", giving many interesting facts about life insurance and its benefits under the Phoenix Mutual Plan.
- (Check One)

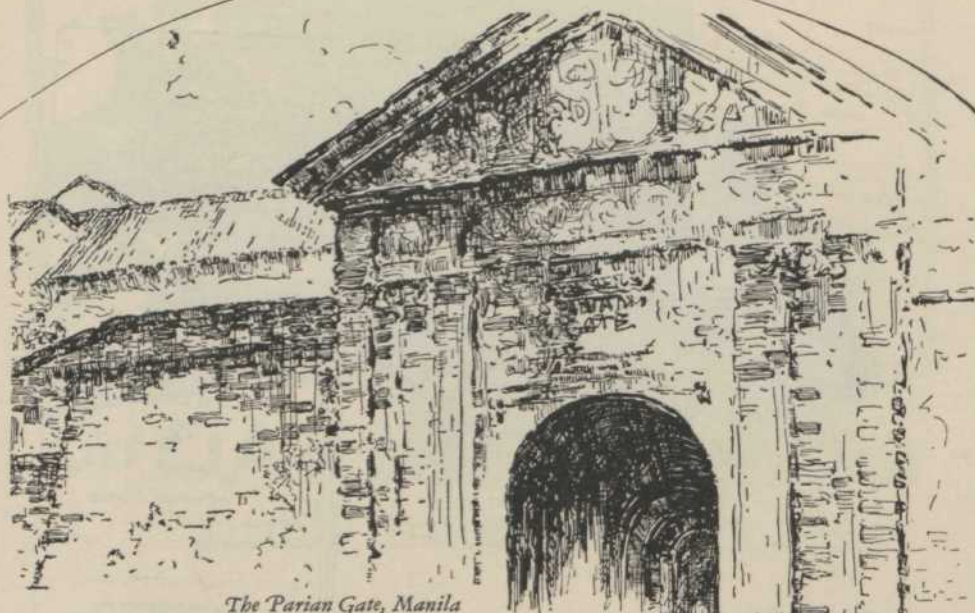
NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_

DATE OF BIRTH \_\_\_\_\_





*The Parian Gate, Manila*

# Orient Lands

**where keen delight rewards  
each day's adventuring**

Across the Pacific the alluring countries of the ancient East offer you a multitude of fresh experiences. Go now.

Select the cities or countries which most interest you, or make the complete trip and see Japan, China, the Philippines.

You touch at Yokohama, Kobe, Shanghai, Hong Kong and Manila. Each port different in character and in its appeal to the traveler.

Thus you see Japan, a miracle of loveliness and modern progressiveness. China, her ancient cities. Manila, a bit of old Spain in a tropical setting.

Here is the opportunity for new vacation adventures at but small expense. Roundtrip fare to Manila and return by way of Japan and China as low as \$750 per capita. (Include Honolulu if you choose.) First cabin accommodations and meals are included.

Or continue Round the World to other lands of keenest interest. Liberal stopovers at any port with identical accommodations on subsequent liners. Like a cruise on a private yacht.

You sail on a magnificent President Liner, aristocrat of ships. Broad of beam and steady. Luxurious and expertly served. You sleep in a bed, not a berth. Rest or relax on wide, sunny decks. Enjoy the world-famous cuisine.

A Dollar Liner sails every week from Los Angeles and San Francisco for the Orient (via Honolulu) and Round the World. From Boston and New York fortnightly sailings via Havana, Panama and California. From Naples, Genoa and Marseilles fortnightly sailings for Boston and New York.

An American Mail Liner sails every two weeks from Seattle for Japan, China and Manila.

*For complete information communicate with any ticket or tourist agent or*

## Dollar Steamship Line American Mail Line

32 Broadway . . . . . New York  
604 Fifth Ave. and 25 Broadway . . . . . New York  
1018 Bessemer Building . . . . . Pittsburgh, Pa.  
177 State Street . . . . . Boston, Mass.  
Robert Dollar Building . . . . . San Francisco

Dime Bank Building . . . . . Detroit  
110 S. Dearborn Street . . . . . Chicago, Ill.  
101 Bourse Building . . . . . Philadelphia, Pa.  
514 W. Sixth Street . . . . . Los Angeles, Calif.  
1519 Railroad Avenue South . . . . . Seattle, Wash.

*When writing to the above Steamship Lines please mention Nation's Business*

business and the morale of the individual."

Of course, local situations, here and there, may reveal apparent abuses of our new facilities for applying incomes, but the best proof that the great mass of our people have not cast off prudence and ceased to provide for the future is the continual rise of the amounts in savings and in life insurance. Deposits in savings banks, last year, totaled \$24,696,192,000, a gain of \$1,562,140,000 over 1925, and the number of depositors rose from 43,850,127 to 46,762,240, an increase of 2,912,113. Postal savings in 1926 got up to \$134,178,558, amassed by about 400,000 depositors. Life insurance in force last year amounted to about 80 billions. Building and loan associations are flourishing.

The evidence is that thrift is still practiced in America.

**N**OW IS the time to put in the hard licks, if we want to point back with pride to these "good old days."

**S**OMETHING is beginning to come out of the sleep investigations made at the Mellon Institute under the Simmons fellowship. A "large number of possible articles open up and suggest themselves in this connection," a circular from A. Rowden King, of New York, announces. Included among the "possible subjects" are:

Why We Should Move in Our Sleep.  
Science Refutes the Pre-Midnight-Sleep-for-Beauty Theory.

Long Sleep or Deep Sleep?  
Some Day the Hospital Sleep Chart.  
The Menace of the Mattress.  
The Double-Burning Candle.  
Midnight or Dawn for Heavy Thinking?  
How Fatigue Affects Us.  
Modern Bedroom Hygiene.  
Twin Beds or Double?  
Efficiency in Bedding.

Where accurate and scientific methods are being applied to the measurement and appraisal of sleep, as at the Mellon Institute, it is a reasonable expectation that the lore of sleep will be extended far beyond the mystical pharmacopoeia of the ancients, who well knew the powers of the lotus, the poppy, and the mandragora. It may even be that science will give substance to Irene du Pont's dream of a catalyst that would "so resolve and recombine the elements which sleep alone has been able to convert from the poisonous to the benign that man may have longer days without lessened years."

Whether or not we give space to articles on sleep rests with our readers. We had rather keep them wide awake, but it may be we can do a greater service as a vehicle for an insomnia cure. Possibly we shall take a leaf from the *Atlantic* and the *Forum*, and try to obtain free copy by challenge. Accordingly, we might call on the Seven Sleepers of Ephesus to come out of their cave and tell us how they get that way. Or we might defy the slumbering Barbarossa to wake up and explain the shift of his position on the seven-year turnover. Or we could dare Rip Van Winkle to come to and account for that twenty-year sleep endowment policy.

—R. C. W.\*

(\*Substituting for M. T.)





## “Here’s the man I want! Morgan! Look at his record”

“Gentlemen,” the Sales Manager continued, “I don’t deny that Davis and Ryan have both pulled off some mighty brilliant sales, whereas Morgan has done nothing particularly brilliant.

“But I invite your attention to Morgan’s detailed record. Compare his card with the cards of Davis and Ryan. There’s the whole story. There’s a picture of the men and their work. Everything essential is shown.

“This year, last year and the year before, Morgan has produced a steadily increasing volume of business. The others, in spite of patches of spectacular work, fall way behind his average.

“Look over that record carefully, gentlemen, and you *must* agree, I believe, that Morgan is our man.”

\* \* \* \* \*

Morgan didn’t thank Acme for his promotion. But his Sales Manager did. He thanked us for giving him a true picture of Morgan’s worth.

And Acme Visible Records often do give you a whole new conception of your business. Just as in this case Acme helped in the selection of the right District Manager, so Acme helps thousands of firms in the handling of stock, purchase, credit and other vital business matters.

In a new book called “Profitable Business Control” we have set down a number of interesting methods of clarifying the activities of various departments in any business. It is a book well worth reading and one which you will find stimulating. The coupon will bring it to you without obligation. Mail it now.



# ACME

## VISIBLE RECORDS

ACME CARD SYSTEM COMPANY

N.B. 8-27

116 South Michigan Avenue, Chicago

Gentlemen:

☐ You may send me your book “Profitable Business Control”

☐ You may send your nearest representative to see me

☐ Please write me concerning your system for handling \_\_\_\_\_ records.

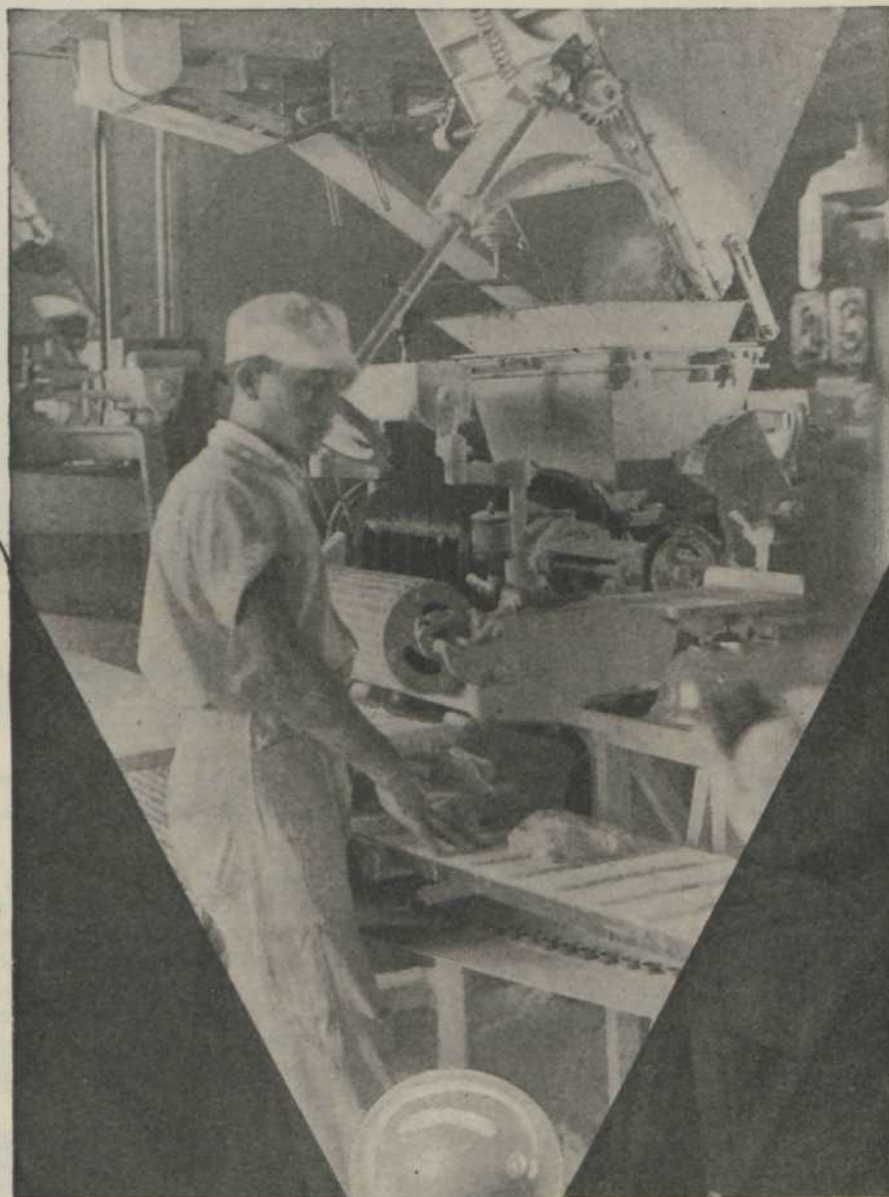
NAME \_\_\_\_\_

FIRM NAME \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_



# *Light up....for health*



PROPER lighting promotes cleanliness and makes a factory a healthier and much more cheerful place to work in. And it reduces operating expenses by increasing output per operator and decreasing spoilage and accidents.

Ask your lighting service company or our engineers for recommendations or for a bulletin about lighting your particular

kind and size of business. Our services are free and bring you the benefits of MAZDA\* Service, through which the achievements of world-wide research and experiment in the Laboratories of General Electric are given exclusively to lamp manufacturers entitled to use the name MAZDA. Just drop a line to the Edison Lamp Works of General Electric Company, Harrison, N. J.



\* MAZDA—the mark of a research service

## EDISON MAZDA LAMPS

GENERAL  ELECTRIC

When writing to EDISON LAMP WORKS OF GENERAL ELECTRIC COMPANY please mention Nation's Business



## On Playing Hunches

BY MERLE THORPE

I WAS invited to luncheon recently by a well-known and successful executive. Arriving a few minutes early, I was asked "to stick around." In the ten minutes I sat in his office I realized for the first time why some men *earn* \$100,000 a year. For in that time he made six or seven decisions involving the spending of thousands of dollars.

An assistant entered. The chief put a few pertinent questions, then nodded "all right." The next caller received a negative as promptly. A telephone call. A query as to foreign exchanges, deliveries, then a laconic, "better ship it." Another assistant with a paper to sign. The colloquy involved a sum of six figures. In two minutes the paper was signed. And so on.

As we started to luncheon, I asked, "How do you do it?"

"I play my first hunch," he replied. "I learned by experience that my first hunch was, nine times out of ten, the conclusion which I should have reached if I had taken several days of analysis, study, conference. So, why waste time and get your desk all cluttered up with papers?"

Success in business, then, is only a matter of good guessing?

But later, when I recounted the experience to another seasoned executive, he corrected me.

"Not guessing," said he. "Such hunches are drawn out of a deep well of experience, observation, and study.

Background, that's it. Or, second nature. Or a sixth sense. Call it what you will, but not guessing. It's sounder than guessing because it's the correct answer nine times out of ten. The law of averages is five times out of ten. It takes nine right answers out of ten accepted chances, as they say in baseball, to make a \$100,000 a year man."

A corporation president recently said that he could get all the \$10,000 a year men he wanted but the \$50,000 were scarce.

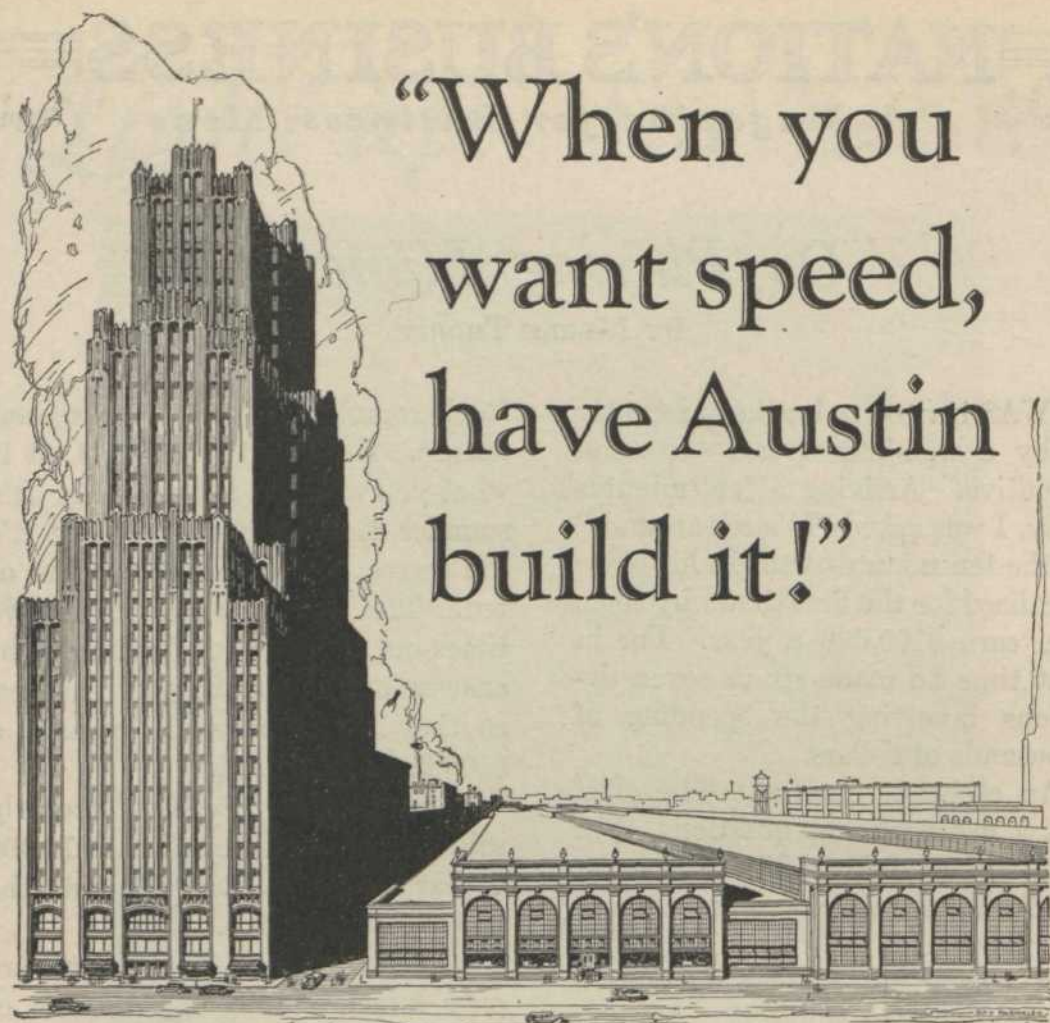
Hunches without background are only hunches following the law of averages.

The man whose hunches are unusually right—in buying, or selling, or selecting assistants, or changing models, or what-not—you will find is the one who has been nursing that sixth sense all through the years by painstaking study and intelligent observation.

Those of us who say "the lucky stiff," don't realize. Those demagogues who say no man can honestly earn \$50,000 a year, don't realize, don't realize—

Incidentally the man who invited me out to luncheon says he has been reading NATION'S BUSINESS regularly for seven years. I suppose that is why—but my hunch is that if I don't stop, I'll make an advertisement out of a perfectly good piece of business philosophy.





“When you  
want speed,  
have Austin  
build it!”

THIS is the decision reached by a great many of the industrial leaders like General Electric, American Car & Foundry, U. S. Radiator, General Motors, Grinnell, H. J. Heinz, and others.

A recent example of Austin's unusual speed with the greatest possible economy is found in the design and construction of the new Pontiac plant for G. M. C.—35 acres of floor space completed in 7 months, the largest single automotive building contract ever placed at one time.

Austin will complete 100,000 sq. ft. of floor space in 60 working days, including layout, design, construction and building equipment.

This speed is possible because the complete project is handled by one responsible organization with unparalleled experience and facilities.

Austin guarantees:

- A—Total cost for the complete project in advance.
- B—Completion date, with bonus and penalty clause if desired.
- C—Quality of materials and workmanship.


Whatever the type or size of project contemplated—anywhere—Austin will give you approximate costs and valuable information quickly.

Wire, phone the nearest office, or mail the Memo below.

THE AUSTIN COMPANY, Engineers and Builders, Cleveland  
New York Cincinnati Pittsburgh St. Louis Chicago Philadelphia Seattle Portland Detroit Miami  
The Austin Company of California: Los Angeles and San Francisco The Austin Company of Texas: Dallas

# AUSTIN

Complete Building Service

	Memo to THE AUSTIN COMPANY, Cleveland—		We are interested in a	
	.....project containing.....		sq. ft. Send me a personal copy of	
	"The Austin Book of Buildings." Individual.....			
	Firm.....		City.....	
NB 8-27				

When writing to THE AUSTIN COMPANY please mention Nation's Business



# Prosperity but no Profits

*The Buyer, as Well as the Seller, May Be a "Profiteer."  
There Will Be "Business," But No Profits, Without Ethics*

**I**F A DOZEN men were asked to write their definition of a "profiteer," their definitions would all differ widely, but without exception all would agree that to be a "profiteer" one must unfairly profit by selling something for more than it is worth, no matter what that something might be—goods, services, real estate, securities.

But what about the "purchasing profiteer?"

## Profiteering in the War

**D**URING the great war talk regarding profiteering was greatly exaggerated. Such profiteering as went on was so despicable and unworthy that the feeling aroused against it left the impression that there was a great deal more of it than was actually the case. As a matter of fact, the great majority of companies dealt with their customers—whether Government or individuals—fairly and with due regard for business ethics. It may perhaps be a fair generalization to say that the bigger the corporation, the more apt it was to be free from the stigma of profiteering.

The heads of the majority of large and small companies alike very generally insisted that their sales be conducted on an ethical basis and with fairness to the pur-

By **ALEXANDER C. BROWN**

*President, The Brown Hoisting Machinery Company*

chaser. The purchaser was at a disadvantage due to shortage of supply. But, except in a minority of cases, he was fairly treated, and received value for what he paid.

If, then, the heads of these companies, and particularly the high executives of the large corporations, were so solicitous of not being classed as profiteers in their selling practices, why are they now so unconcerned when their organizations are coming to deserve the title of "purchasing profiteers?"

For two reasons. First, the more charitable one, they do not realize and therefore do not sanction what is going on in other parts of their organization. Second, although realizing the coercive methods of purchasing that are being employed, they do not analyze them impartially, nor do they apply the same ethical standards that

they apply to other phases of their business.

But, if in times of shortage of production one is considered a profiteer who takes advantage of the shortage to sell for more than goods are worth, why is he not equally a profiteer who in times of overcapacity takes advantage of the surplus to buy for less than goods are worth? The law of supply and demand applies in either case, of course, but why should not the rules of business ethics equally apply?

## New Class of Profiteer

**T**HERE is a steadily growing feeling among the many sufferers from the present "profitless prosperity" in industry that largely those industries, making abnormal profits, have made their showing through taking undue advantage of the misfortunes of the industries from whom they buy. The misfortunes of surplus capacity, surplus production, and surplus stocks has been too tempting for the "purchasing profiteers" to resist.

Overcapacity and competitive conditions have provided an easy training course for the "purchasing profiteers." But quick to learn, they have developed such proficiency in the art of coercive purchasing that they extend the "profitless prosperity," for which they are responsible, to industries not suffering from surplus production, but which are running to full capacity. This is

"Industries making abnormal profits have done so by taking undue advantage of the misfortunes of the industries from whom they buy." This is the way C. R. Macauley pictures the situation. Now turn to the next page and see how Nelson Harding illustrates the same idea





well illustrated in an article from the *Daily Metal Trade*, which says, in part, regarding the independent sheet steel industry:

Picture, if you will, a huge industry comprised of 543 hot mills. Each mill represents an investment of \$175,000. The total is approximately one hundred million dollars. Add to this working capital of \$37,500 for each mill, and the grand total becomes about \$110,000,000.

Operate these mills at 108 per cent capacity for a month on orders taken at prevailing prices, deliver the best grade of sheets ever produced by the industry and write down in the reddest of ink a net loss of \$2,000,000. There you have a picture of the sheet industry as it is operating today.

The snap-judgment diagnosis says "Overcapacity." But the facts give lie to this opinion. Operations so far this year have averaged above 90 per cent.

Further search reveals two outstanding difficulties. Ruthless buying on the part of automobile builders has forced the sales prices of sheets below the cost of production. Weak-kneed and spineless sales policies on the part of the sheet producers have forced the mills to seek quarter.

Speaking of a sheet steel plant representing an investment of approximately \$2,000,000, which operated at 100 per cent capacity during March, 1927, to produce 5,000 tons of sheets, this same paper continues:

The total output was shipped on contracts. These contracts were closed on current quotations.

The loss for the month of March stands in red in excess of \$18,000.

Today the plant is closed. Not a wheel is turning; no fires are burning.

The cost of shutting down was \$8,000. But the saving for the month of April, as compared with March, will be at least \$10,000.

**Unethical Buying Habits**

THE "purchasing profiteers" place their orders at cut-throat prices for materials and products to be produced under quantity-production methods. The contract continues for a month or two with deliveries specified in quantity. Then with little or no advance notice further deliveries are ordered suspended, or so greatly reduced in volume that there is no chance to produce at quantity-production costs.

Even materials produced prior to the hold-up notice, and actually in transit for

delivery are rejected and returned to the producer's plant. Equally as suddenly and peremptorily, deliveries are later ordered resumed immediately. And all deliveries must be made at the contracted, cut-throat price which was based upon expected economies from quantity production.

The company practicing the art of the "purchasing profiteer" changes the model of its product. All deliveries on the contract for materials are suspended. Does the shrewd buyer take off the hands of the producer the raw, semi-finished and finished materials applying to his contract of purchase? Perhaps!

But not if he is a trained "purchasing profiteer." In that case he lets the producer charge such stock off to inventory losses, and likely as not in the case of certain materials may ship back to the producer such surplus as the purchaser may have, expecting full credit for the returned goods.

A mild protest from the producer brings the inevitable rejoinder, "If you don't like our business enough to cooperate with us when we change models, tell us so, and we will buy elsewhere."

In buying machinery and equipment, opportunities to display skill in coercive purchasing are generously provided by overcapacity and destructive competition. Strangely enough, the president of a steel company (suffering from the thumb screws of "purchasing profiteers" who buy his steel to make automobiles), while con-

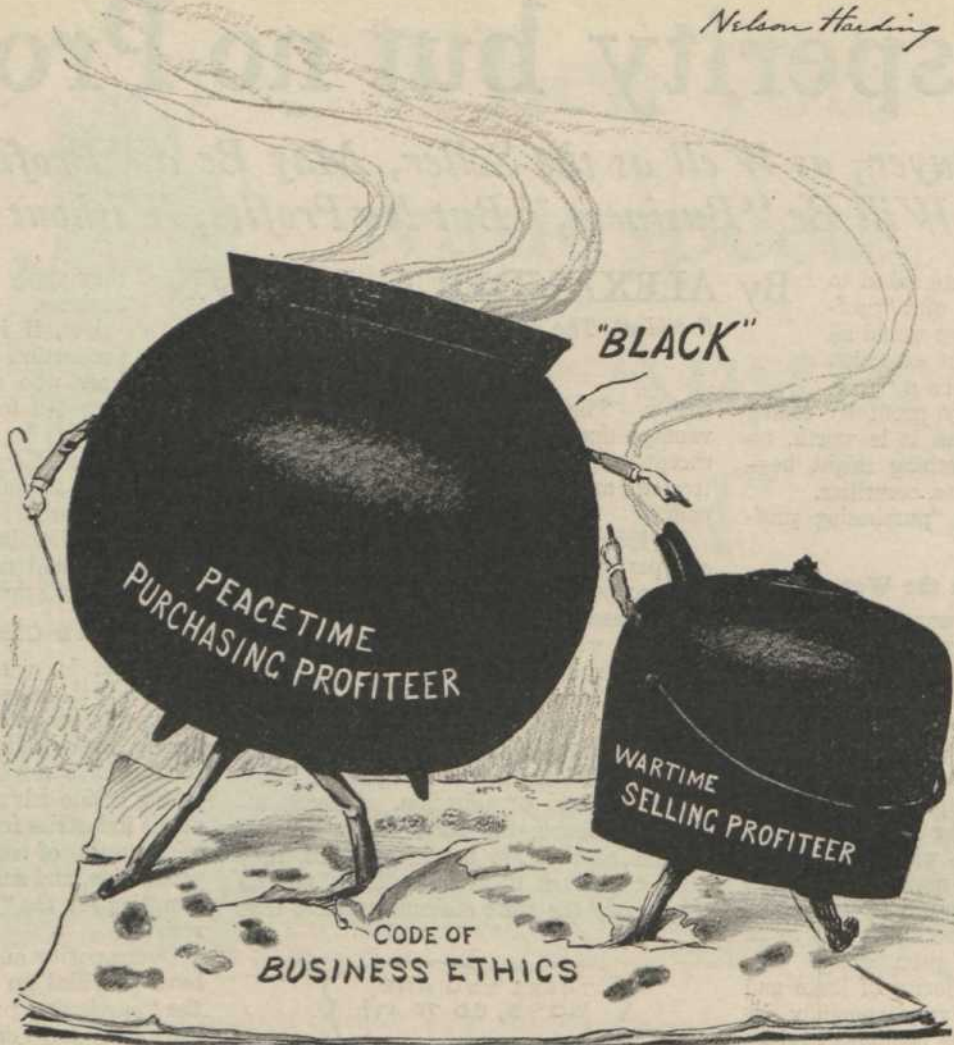
demning as uneconomic and unfair the purchasing practices to which he must submit, fails to recognize, or actually condones, the same coercive practices employed by his company when buying machinery and equipment.

**Sliding Down Prices**

THUS is the purchasing agent enabled to earn for his railroad the title of "purchasing profiteer." He advises the representative of the X Company that, although his price is high, the engineers prefer his machine, and he would like to give them their preference but cannot with justice to his railroad spend a cent more than the price of the cheapest machine on the "acceptable" list.

The X Company's price comes down; but in the meantime the Z Company is told that, though his price is low among the "acceptable" bidders, the engineers prefer another make, and his price must be made much lower to justify overriding the engineers' recommendation.

The Z price comes down. The X Company is again called in to be informed that their latest cut still leaves them just as high above another "acceptable" bidder as before because of a "revised" price. When these Christmas presents to the railroad, in the form of "revised" prices, begin to lag slightly, the Y Company is introduced to liven up the picture and to stimulate further donations. When all is finally settled, the bidder is told that, although the prices



*The pot had better say nothing about the kettle!*

demning as uneconomic and unfair the purchasing practices to which he must submit, fails to recognize, or actually condones, the same coercive practices employed by his company when buying machinery and equipment.

It is equally true of many railroads. You seldom take a meal in a dining car without finding upon the table some printed propaganda intended to encourage fair treatment of the railroads by our legislative bodies and by the public, and appealing as an economic right for rates that will produce an equitable return on investment.

But how do these same railroads buy their machinery and equipment? They pay good salaries to the best engineers that can be secured to spend weeks in determining the merits of various machines.



were asked for on the basis of five machines, only one is to be bought; and it must be furnished at the same unit price as quoted for five together or all bids will be rejected and requests made for new bids.

An equitable return on investment an economic right of the railroads? Yes, for those railroads who, by recognizing the economic right to an equitable return on investment for those from whom they buy, have removed themselves from the class of "purchasing profiteers."

#### Burdensome Specifications

A FAVORITE practice, resorted to by large corporations, and particularly by the steel industry in the purchase of machinery, is the insistence upon getting complete detailed drawings of the machines purchased. In the case of specially designed machines, for which the cost of drawings is to be included in the purchase price, there is often much justification for such request.

But in the purchase of standard machines, the threat is frequently made that the company will make no purchases unless detailed drawings are furnished. No compensation for the years and thousands of dollars spent on the development of the machine is contemplated.

Having taken away the last remaining dollars of profit in the sale of the machine through coercive purchasing, it is proposed that the spare-part business of the victim be turned over to the "purchasing profiteer" as well. Many specious arguments are given to justify the donation of these business assets of the machinery industry; but it is seldom explained that when spare parts are made in the user's repair shops under cost systems which include no engineering, selling, administration, and other such overheads, and frequently on a material-and-labor basis only, it is exceedingly useful to the purchasing department to

make valuable comparisons as to "exorbitant spare-part prices" in an endeavor to remove the last vestige of profit from this branch of the machinery industry.

The steel industry would not be where it is today if it were not for the past and present inventive genius in the machinery industry which in almost every line has revolutionized methods of production, transportation and handling of materials during the past forty years. Is there any reason to suppose that similar progress is not possible in the coming years? Certainly not, unless through coercive purchasing all stimulus is removed from the engineering machinery manufacturer to devote time and money to further advances in the art.

Industries suffering from these practices must either choose to face annual losses leading toward bankruptcy, or to enter into defensive combinations among themselves in conflict with our obsolete laws against combinations leading toward federal indictment for control of prices. Self-defense should surely be a valid plea against the charge of combination in restraint of trade under such circumstances.

#### Inadequate Prices, Bad Economics

IN THE conclusion to a recent address the head of a large steel company drew attention in these words to the economic necessity of maintaining the purchasing power of customers, employees and stockholders alike:

Inadequate prices do not inure to the benefit of the public and in the long run are harmful alike to the employee and to the industry.

It must be conceded that although the interests of the employees and of the customers have been well taken care of, it would appear that in our drive for manufacturing supremacy we in the steel industry have failed to appreciate fully the diminishing rate of return on our investment and that in some

quarters the interest of the holders of our securities has not been given the consideration it deserves.

It is important to maintain the high purchasing power of our labor and our customers. I think you will also agree that it is equally important to maintain the purchasing power of the average investor.

If it is important to maintain the high purchasing power of the customers of the large corporations of this country, could there be a more short-sighted policy than that of "purchasing profiteering" which destroys or seriously impairs the purchasing power of the companies from whom the automobile industry, the steel industry and the railroads purchase?

#### Practices Affect Public

THE COMPANIES subject to this penny-wise and pound-foolish purchasing policy are directly, as well as indirectly through their employees, large customers of these corporations. They are large buyers of steel, large shippers of freight, large users of motor trucks, and their employees in the aggregate are large buyers of automobiles so long as they are maintained in profitable employment.

It is the higher executives of the large corporations who should take cognizance of the purchasing methods of their organizations. While these executives are making addresses at banquets and conventions commending the high standard of business ethics of which the American business man is proud, encouragement, or at least silent consent, is given to unethical purchasing practices further down the line in the organization.

In the long run such policies are detrimental, not alone to the industry whose profits are preempted, but to the economic welfare and future prosperity of the country as a whole, and will prove a boomerang to those who continue the practice of the "purchasing profiteer."

## Candy, a Billion Dollar Muddle

THREE men were looking backward to their barefoot days. The talk shifted to

the ways and places they bought candy.

"When I was a boy, in Independence, Kansas, I bought all my candy at the general store. Mostly chocolate creams. A nickel meant quite a fistful then. I don't remember any other place that carried a line of sweets," one speaker volunteered.

Another had grown up in an eastern Pennsylvania village. He admitted, a little reluctantly, that he spent his pennies and nickels for candy at the town saloon. The rear contained the bar, but the swinging doors partitioned off the place. A cigar and candy counter in the front was the only source for candy in town.

#### Increased Candy Outlets

IN BROOKLYN, there was a regular confectionery store," said the third. "It was run by a German and his family. This shop had a pretty good grip on the business in its vicinity."

He went on to comment on the change

By WILLIAM BOYD CRAIG

in distribution methods of the commodity, most of which had come about recently. "Suppose I gave my son a dollar with which to buy candy," the former Brooklynite said. "He could spend that dollar in at least thirty different retail establishments, each handling a different primary commodity. Further, I have an idea that he could buy a different kind of candy at each establishment."

"Where we were rather limited in our own youth as to places where we might buy candy, the youth of today has it offered to him wherever he may turn," he concluded.

Have the retail habits of candy sellers and buyers changed so greatly? Turning to the recent Baltimore Retail Census, I found this tabulation of the retail outlets for candy, by name and number:

Auto Accessory.....	1
Bakeries .....	35
Candy and Confectionery.....	976
Cigar and Tobacco.....	147

Clothing and Furnishing,	
Men's Ready-to-Wear....	2
Coal, Wood and Ice.....	1
Dairy and Poultry Product.....	11
Department .....	9
Drug .....	194
Dry Goods and Notions.....	48
Fruit and Vegetable.....	21
Gasoline and Oil.....	1
General .....	6
Grocery and Delicatessen.....	1,185
Meat, Poultry and Fish.....	40
Musical Instruments and Sheet	
Music .....	1
Restaurants .....	53
Soft Drinks and Ice Cream.....	132
Stationery, Books, Magazines, etc..	4
Toys and Games.....	3
Motorcycles and Bicycles.....	1
Five and Ten Cent Stores.....	24
Total .....	2,895

In addition, there is the occasional candy selling of theater lobbies, school canteens, baseball parks, carnival nomadic concessionaires, and church festivals. Some cities would show book stores, hardware stores,



and others carrying a line of confections. Railroads, stations, and now even some trolley cars handle candy. I know an insane man who has built up a considerable estate selling candy to his fellow patients at his institution.

Candy, it will be observed, is not overlooking any chances to increase consumption. It has made itself easy to find. By so doing, it contributes a good example of "merchandise seeking the man."

Some practical-minded readers are doubtless saying to themselves, "Yes, candy does show a great spread of retail outlets. But what of volume? Who is doing the bulk of the business?"

As is the case with merchandise which finds numerous channels of distribution, one or two of the outlets will sell the largest percentage of the total.

The 976 candy stores of Baltimore do a business of almost seven million dollars a year. The 1,914 other candy outlets add but a little more than a million dollars. The average candy dealer takes in about \$7,000 a year—a small volume for a retail establishment.

Thus the straight candy retailer is the manufacturer's best market. Not all of them are high-class merchants. Only a few watch their costs intelligently. The very few who deserve the name of merchant do a great part of the retail business. Many retailers manufacture their own products, notably in the case of the Greek candy kitchens, of which there are 30,000 in the country. The average inventory of independent confectioneries for Baltimore is low, being less than four hundred dollars per store. Compared with the drug store, with its average inventory of over five thousand dollars, it may readily be seen that the confectionery business is a tempting field for the man with small capital who wants to be "in business for himself."

#### Clean Hands and Pure Goods

**THE INDEPENDENTS** are now wisely imitating the rapidly growing chain-candy systems, in dressing of windows and interiors. Probably no other product, unless possibly green groceries, needs such an inviting background as candy. Normal cleanliness is not enough to create a desire on the part of a possible purchaser, once he is in a confectionery. Successful retailers have found that a nicely arranged, well-lighted outlay is a potent factor in the battle for the candy dollar.

The repeat customer is the money maker, but the candy retailer doesn't always seem to realize this. As one of them said: "Few seem to put much thought into resales. Getting a customer's money once is no bril-

liant feat, but putting into that sale a sincerity and feeling of value received that brings the customer back again—that is the real trick that makes one's business."

Study of retail surveys such as that in Baltimore will show the manufacturer where the consuming public buys most of its candy and which outlets are most ready for further development. Whether or not the middle men are doing a workmanlike job in supplying the retailers also may be read there.

Five and ten cent stores come second in the volume of business done in candy. While second in volume, they do only one-six-

him into contact with the country's leading manufacturers, jobbers and retailers.

"Where is the candy business going? It is going to hell; that's where it's going."

His answer has since been confirmed by several leading candy makers and distributors. Wanting to see if the state of the industry had not been exaggerated somewhat, I looked beyond the retailer.

#### The Rub of the Candy Business

**WHAT** of the jobbers and wholesalers? To them is given much of the blame for the present peculiar state of the candy business. Standing midway between the manufacturer and the retailer, the jobber is the target for the slings and arrows of each, and let it be said that he receives them. Some of the charges against jobbers are that there are too many of them. Some, it is even said, do not know what it costs to do business.

Retailers contend that jobbers find credit for manufacturers too easy. This charge is freely passed among the jobbers themselves.

A truck is all the jobber needs to go into business. This makes easy for him price cutting and the other practices alleged to be unfair. Without a well-organized trade association, jobbers are in no position to fight back, or to clean house for themselves. They are

probably as much hampered by the lack of nationally organized activity as any similar group in this country.

The candy jobber may find himself competing with wholesalers of hardware, drugs, notions—or what-not—in supplying what he has always looked on as "his" trade. Too often he will fight back with price-cutting alone, forgetting that he can usually give better service, quality and variety than his new competitor.

#### Industry Has Growing Pains

**CONSIDERING** next the manufacturers, many of them are found to be steeped in gloom. Equipped to produce more candy than the country can consume, they are busy doing just that. The industry has grown more in the last quarter century than in the century previous. It is in the position of an overgrown boy who does not know what to do with his strength and who is beginning to show the first signs of self-consciousness.

It is charged that there are too many little manufacturers, able to operate on small capital.

There is plenty of volume, but the profits are spread thin. It is likewise charged that unethical manufacturers exist who put more thought into the appearance and package of the product than to the quality of the materials.

A comparison of the manufacture and distribution of tobacco and candy is interesting. Tobacco shows about the same number of retail outlets, fewer retailers who sell nothing but tobacco, fewer jobbers, and fewer manufacturers. Yet the whole ma-



*Here is a dollar's worth of bar candy, selected by the boy in the picture. He purchased it at several sources, none of them "candy" stores. One piece he bought at a bookstore, another at a filling station. This is typical of one phase of candy's battle for retail outlets*

teenth as much as the candy stores themselves. Five and ten cent stores sell more candy than any other commodity except notions. Many of the specialty shops which carry candy use it as a weapon against competitors, rather than as a staple line in itself.

A grocer may carry candy as a means of retaliation against the delicatessen store nearby. He will go after the business of the whole family.

A far from obvious fact is that candy stores sell more tobacco than tobacco stores sell candy. Thus the brother act falls down.

It has been computed that half the candy sold in this country is sold in one, five and ten cent amounts, most of it to children. Four-fifths of what the manufacturers turn out brings to them a quarter or less per pound. Only 10 per cent of the present volume is accounted for by a higher priced variety which sells for a dollar upwards a pound.

Candy is now just about able to call itself a billion dollar industry. Huge as it is, all is not well with it. The confectionery trade papers talk of the distressing state of the business, and candy men are pessimistic. I wanted an authoritative expression on its state and trend, so I questioned a Department of Commerce official whose duties take



chinery of distribution is better organized and the fewer concerns engaged are showing better profits. This is largely due to the fact that three tobacco manufacturers control the great majority of the market. No candy manufacturer or group of them has been able to command anything like the secure position of the tobacco manufacturers. How many candy manufacturer's names are known in all parts of the country? The case of chewing gum is much similar to tobacco. It, too, has three dominant manufacturers.

#### The Maelstrom of Manufacture

ONE Chicago manufacturer produces twelve hundred different pieces of candy, in his expensively equipped factory, where even the air is washed before it is admitted. He sells bar goods, fancy-package candy, penny goods, and deals in bulk lots shipped in pails. When it is remembered that there are three thousand candy manufacturers in the country with product value above \$5,000 and each manufacturer putting out his own brands, some idea can be had of the staggering diversity of products offered to the public.

The growth of the bar and package goods selling at five and ten cents is chiefly a post-war development. To this is due much of the increase in production.

The desire for sweet stuff goes down as the thermometer goes up. This is borne out by the fact that the Scandinavians consume more sugar per capita than any other people. Candy buying on the part of the public begins with the cool months of fall and rises to its highest point at Christmas, from whence it drops off until the beginning of the following summer, when it takes a big slump. Candy is known to the manufacturer as a nine-month business.

Some manufacturers have been accused of unfair practices in selling just before Christmas, in competing with their own jobbers and retailers, by sending out agents to take orders direct at factory prices. This, it may readily be seen, adds nothing to the seasonal feeling of charity on the part of the distributing family toward the maker of confections.

#### Rank Imitations

IN ANY industry where overproduction is present, fierce competition will ensue. It is there in the candy industry. This competition often takes the form of imitation.

A successful product will have literally hundreds of imitations put out, until its success is greatly diminished. One manufacturer decided to capitalize on this orgy of imitation by imitating his own ten-cent bar. He stated frankly on the wrapper that that was what he was doing.

Candy does not find its only competition inside its own field. It is beset by scores

of other industries, each fighting for its share of the consumer's dollar. The idea that sentiment be expressed with flowers is a blow at high-priced packaged candy. The appeal to eat an apple every day likewise shifts the buying habit out of the hands of the confectioner. Packaged raisins and nuts are engaged in fighting for consumer's money in competition with candy.

The idea of giving jewelry, fountain pens and watches as graduation presents also has its effect, indirectly, of leaving the high-priced box of candy on the store shelf.

The young man who, had he been living twenty years ago, would have included a box of bonbons in his total for sentimental purposes, now expends that dollar for gasoline and takes his lady love for a spin under the stars. Thus it is not too long a stretch of the imagination to say that the gasoline station is an active competitor with its much older retail brother, the candy store.

#### Fighting for Nation's Change

THE expression of sentiment by telegram is another slice out of money that might have gone for candy. Fancy silk lingerie, according to experts, is becoming more and more popular as a gift from the male young of the species to the objects of their affection. Oranges, ice cream and soft drinks have, of course, each entered the arena to fight for more and more of the country's small change.

The present fad in female figures hits directly at candy. The young lady who strives to keep her vertical lines nearly parallel will forego candy and desserts.

Instalment buying has had some effect upon the growing popularity of cheap candy. A man paying on a house and an automobile will not take home a box of candy for the week-end so readily as he would if he had finished payments. He

may satisfy the desire for sweets on the part of his youngsters by supplying the funds for five or ten cent bar or package goods. While the income of the average individual for the country has increased since the war, there is a corresponding but much greater struggle on the part of commodities for a share in that income.

#### What Makes Candy Price?

ONE of the manufacturers' problems is to convince the public that there is not a direct connection between the price of sugar and the price of a pound of high quality candy. The industry does use around a million tons of sugar a year or, roughly, half the total volume of candy produced in a year. Still one quality candy maker puts into each pound box of candy 76 items of supply.

A pound box of candy is probably one of the most international products which the world has ever known. Almost every climate, every soil in the world contributes something to a high-priced box of candy. A revolution may boost the price of Ecuador cacao or Mexican chicle.

A manufacturer of candies has one of the most complicated buying markets to watch with which any business is confronted. Violent fluctuations are the rule there. A Balkan disturbance will upset the source of figs and dates from Turkey, Greece, Persia, Arabia, Algiers, and Morocco. Most of the egg albumin finds its way to American markets from China, lemon oil from Italy, Brazil nuts from Brazil, cherries from France, vanilla from the Reunion Islands. Few other industries are so closely connected with international trade.

#### "Millions for Defense"

THE National Confectioners' Association has raised, by voluntary contributions from its members, over a million dollars for an advertising campaign. By this gesture, it has served notice on its competitors that it is ready to declare war to win back its lost markets, and to create new ones.

Its early advertising is of an educational nature, with an appeal to the public to make holidays pleasanter with candy. The industry is wisely trying to build sales for the periods that have in the past been dull times, namely, the late spring and summer months, and is making its holiday appeal apply particularly to the warm weather holiday jaunts and picnics.

This brief summary of the sore spots on the body of the candy business will, of course, seem elemental to any one actively engaged in the making or distributing of confections. It could be ex-

panded almost indefinitely, to fit every locality, with its own peculiar conditions, but here let's turn to another side of the picture and show what some more forward



*The small change these youngsters spend for popcorn might have gone for candy. Few commodities have as many competitors as candy*



looking in the business are doing to rectify trade evils and to produce profits where only volume grew before.

The manufacturer has the rather bright outlook before him of recalling that every man, woman, and child in this country is spending just about \$8 a year for candy. Stated another way, candy accounts for about 2 per cent of every dollar spent through retail channels throughout the country. The market is there, but the machinery of supplying that market still creaks in the joints.

There are a few outstanding figures in the candy business. Some hint that what it

needs is a "czar" of the Judge Landis-Will Hays type.

The most active organizations in the whole field are the National Confectioners' Association, of which Vincent L. Price is the president, and the New York Joint Candy Board. The industry looks to Mr. Price to make chaos somewhat cosmic in the near future. There is a plan on foot for the regulation and the control of trade relation in the industry through national and local joint boards cooperating with the Federal Trade Commission. It is an interesting and practical method for eliminating unfair competition and will bear watching.

There is in the industry a great need for standardization of trade practices. They are in such a muddle that relief will not come in a day.

If such activities do not bear immediate fruit, it should be remembered that the candy industry has for some time carried several burdens in the form of practices which, though possibly not illegal, have been a heavy tax upon the whole body.

Maybe we are about to see another industry pull itself out of a hole, by tugging at its own boot straps. Possibly, too, if it beats government to the task of regulating it, it may not be going to hell, as alleged.

## European Notes from a Yankee Cuff

By WILLIAM FEATHER

Illustrations by Richard T. Salmon

**I**N SOUTHERN Italy I was astounded to observe men, boys, and occasionally women, cracking stone for road construction.

I marvelled at what appeared to be a waste of human labor. Later I concluded the practice was not so wasteful.

Every hill and mountainside in Italy is a stone quarry. The material for roadbeds exists alongside the roads. A central crushing plant would conserve human energy, but the long-distance transportation of the stone, over the difficult hills, would again dissipate this energy. Evidently, it has proved economical to quarry and crush the stone by hand at the place where it is needed.

**I**N ITALY I wondered why the stone and concrete houses had an unfinished look. The holes in which the scaffolding is fitted are rarely ever filled in. I asked the reason, and this is it: The tax on a finished house is higher than the tax on an unfinished house. Consequently, thousands of houses are never "finished."

**THE GENIUS** of Mussolini strikes one most forcibly in Naples, which for decades was one of the foulest cities in Europe. Squalor, beggary and thievery distressed the traveler. Former visitors will now be surprised by the order and comparative cleanliness. The streets have been cleared of beggars, and the thugs are either in jail or at useful work. Even the cab drivers have been tamed.

**THE DOMESTIC** architecture in the small Italian towns is a delight. The houses seem to grow out of the land. They fit their locations as snugly as an old rocking chair fits the human frame. That is the source of their beauty. The peasant builder aimed at utility. The lines are therefore clear and true, individual and picturesque.

**I**N ORDER to make Italy as self-contained as possible Mussolini has prohibited the making of white flour. All

bread is "black." It is an hourly reminder to the people that Italy must work hard and forego luxury if it is to be restored to

quently, there is no cold storage. Green stuff is gathered and livestock butchered day by day. Fish is sold as it is caught. Fowl is killed and drawn in the kitchen.

The lack of variety in the basic foods has forced Italian cooks to devise ingenious sauces for fish and meats, and to make ordinary dishes appear extraordinary by means of decorative garnishing.

Limited recreational facilities account for the two-hour lunches and three-hour dinners. They have time for leisurely eating because there are few distractions.

**I** SAW thousands of tiny shops in Italy in which the inventory of the goods did not exceed twenty dollars.

Old women and old men preside for twelve and fourteen hours a day over a basket of vegetables, a few fish, a dozen tin pans.

**E**ACH day I encountered at least one man who had lived in the United States.

They all wanted to go back. They were hungry for American cigarettes.

**I** WONDERED how long it would take to modernize Italy—to install adequate water and sewerage systems, to extend telephone and lighting systems, to widen roads, to replace oxen with trucks, and bicycles with motors. To me it looked like a fifty-year task. Perhaps it is not desirable that it should be done. The women are well accustomed to carrying jugs of water from public fountains and to kneeling beside a stream when they do the family wash. The men plow

leisurely with hulking oxen, and if they don't own an ox they spade their orchards, vineyards and gardens.

With few organized forms of recreation there is no occasion for the eight-hour day. The people seem to work slowly for twelve hours. Their pleasures flow out of their work. All waking hours are working or eating hours. The custom has its advantages.



"Many Italian houses are never finished . . . the tax on a finished house is higher"

natural health and strength. The "black" rolls, by the way, are decidedly palatable.

**N**IGHT life has been abolished. The streets in all cities have been cleared of women. Cabarets and late dancing are prohibited.

**C**USTOMS are controlled by circumstances. In Italy gardening is practicable almost the year round. Conse-



I WAS attracted in Italy by the painted two-wheel horse carts. The huge wheels and bodies of these were often colorfully decorated with intricate designs. The harness sparkled with brass ornaments. The drivers seemed to take pride in their equipment, always a sign of honest and noble workmanship.

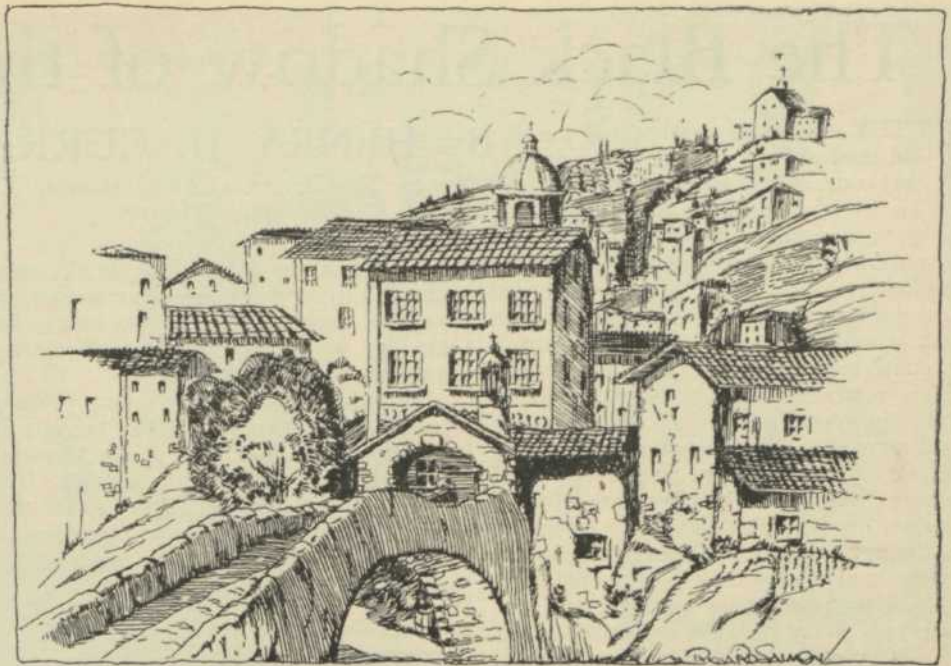
AN EXAMPLE of the same sort came to my attention in a restaurant in Rome. The guide-book recommended the place for its individuality. The specialty was spaghetti with butter and cheese.

Half the pleasure of the luncheon was in watching the waiter mix the butter and the hot spaghetti. When he had manipulated it until his arms were weary, he called the *maitre d' hôtel*, a handsome chap with a fine complexion, snapping black eyes, and porcupine mustachios. This fellow loosened his arms at the shoulder sockets, tipped his trunk forward from the hips, and gave us an artistic exhibition of spaghetti buttering. I was tempted to applaud.

MOST of the horses in Naples and environs are driven with bits that fit over the nose of the horse. I thought this might be something new until I saw an old bit in Pompeii relics of exactly the same type.

ALL European countries, including England, have a stamp tax on checks, receipts, and all other financial transactions involving the transfer of paper. Here is a tax that isn't noticed much, but oh, how it impedes business! The tax is only a few cents per \$100, but the bother of finding a stamp of the right denomination, affixing it, and cancelling it, is a serious initial expense that far exceeds the revenue to the state.

I IMAGINE every one is pleased with the reliability of English business houses. I wished to import a grandfather's clock, which I bought in Leeds. One day I drove to an office in High Holborn Street, London, where I described the clock, and asked the management to attend to the packing and shipping. The transaction involved sending a man to an address in Leeds, bringing the clock to London for



"Houses in Italy are a delight. They seem to grow out of the land"

packing, transporting it overseas and by rail to Cleveland, Ohio, and by truck to my home.

I was quoted a fixed price, given a receipt, and I left, confident that the clock would be delivered, as promised.

In all dealings with English business houses, one feels that agreements will be carried out to the letter.

I WAS impressed in England by the responsibility that is given to clerks. It is rarely that a customer is referred to a second or third person, no matter what the size of the transaction may be.

Every clerk appears to be his own boss. The clerk obligates the house, and the house stands back of the clerk, whether the deal involves pence or thousands of pounds.

THE TRAVEL facilities offered by modern tourist agencies are almost unbelievable. An American walked into an office in Rome and told the agent he had three months to visit Greece, Austria, Switzerland, Czechoslovakia, Germany,

Denmark and France. He wished to travel part way by automobile, and part by train, and to have a private car and guide at his disposal in each city. He wanted seats reserved on all trains, rooms at hotels, and sight-seeing hours definitely scheduled. All this was just part of the day's work for the

tourist agent. When women travel alone the agent will arrange for a man to meet them at the railroad station and accompany them to their hotel. When people became tired of traveling in groups, the tourist agents began to specialize on individual travel, with the result that it is now perfectly possible to arrange in New York in July for a lunch, a dinner, or room in Rome in September.

HONESTY is about the commonest human characteristic. My wife and I traveled with four large bags—no trunks. We didn't lock the bags because we had lost the keys. We entrusted these bags to innumerable porters, check room attendants, and draymen. We never worried. Bags and men always turned up at the right place at the right time.

I heard tales of holdups by taxi drivers in Naples and Paris, but not until I was back in New York, and off my guard, was I stung. The bags were loaded into the cab at the dock and we drove to the hotel. The fare showed 70 cents and I gave the man a dollar.

"Say, buddy," he said, "bags are 20 cents each. My meter isn't working on the 'extras,' but that's the rate." I was suspicious, but I gave him another 75 cents. In Europe I would have called the doorman or a policeman, but in New York that didn't occur to me. Of course, the tariff in New York allows a charge of 20 cents for a trunk, but hand baggage is carried free, as I discovered later. Is it the regular practice of New York cab drivers to take a few extra quarters from new arrivals?

MANY have asked whether I encountered any ill-feeling toward Americans in Europe. Not a single instance came to my attention. There is a good deal of envy of the United States in Europe. Our friends overseas are jealous of our well-being and prosperity. But Englishmen, Frenchmen and Italians who had been in America and had observed our business methods were, without exception, genuine admirers of our achievements.



"I was attracted by the painted, two-wheeled carts"



# The Black Shadow of the Skyscraper

**I**S THE skyscraper a mistake? An old thief of light and air, and a direct cause of city congestion?

This question is being asked insistently in more than one American city.

City workers travel from their homes in the outskirts to their tasks in the center and grit their teeth as the crowding becomes daily more intolerable. City Officials strain at gnats to give relief. Civic associations highly resolve. Theorists propose arcades and triple-deck streets, so that we may live always in the gloaming. Leap-frog bridges at the crossings and even aerial bridges from tower to tower are blithely planned by those who eschew the gloaming.

"Staggering" of office hours and theater risings is a remedy only less favored than that of motor-trucking by night, so that sleep may give way to the wakeful alertness that is induced by the snortings of these monsters. Increasingly, as the comforts and decencies of life disappear, one by one, in our urban bowls of animated spaghetti, we ask the reason—is it the skyscraper?

Of course there is a great pointing of real estate fingers at fifty-seven varieties of suspected culprit other than the skyscraper. Some blame the automobile. But is the automobile found on sidewalks or in subways? It is not only our highways that are crowded.

Others blame our apparent habit of want-

By **HENRY H. CURRAN**

*Counsel, New York City Club; Member N. Y. Board of Aldermen*

ing to be in the same place, at the same time, with everybody else—"gregarious, we are, like sheep!" But do we huddle because we want to, or because our jobs are in the clustered skyscrapers?

Still others put it down to our youthful American ambition to be the "biggest" in everything, "biggest" in money, locomotives, skyscrapers and crowds. But is it only the "bigness" of skyscrapers that makes the trouble, or the clumping together of too many big ones? Some low buildings are big, too.

## A Cost of More Than Money

**T**HERE is a growing army of thoughtful Americans who believe the fault lies mostly in our lack of control of the skyscraper. It comes with a shock that, after all, we may have made a mistake; that perhaps we pay, in the discomfort and peril of overmuch city congestion, a price for our toy that is too high.

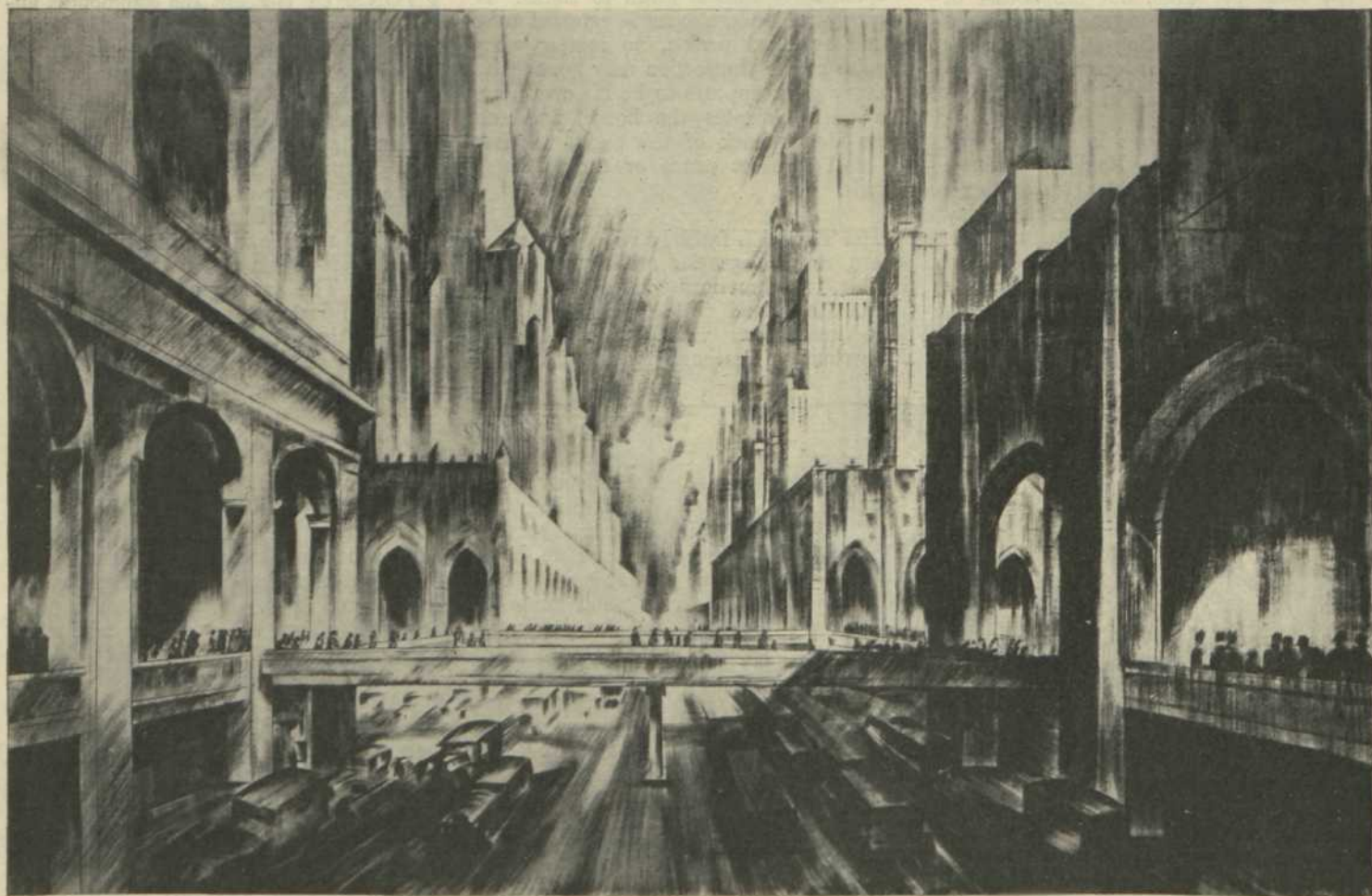
The City Club of New York—and in that city the evil of congestion may be encountered at its worst—has struck at the uncontrolled skyscraper and has uncovered ample local agreement with its accusation.

The Mayor of New York has just appointed a committee of five hundred citizens to get to the bottom of the congestion problem, with especial attention to skyscrapers.

Outspoken citizens in Boston, Philadelphia, Washington, Chicago, Detroit, Grand Rapids, Los Angeles and Dallas have recently given anxious voice to their fears that their own cities will repeat what they conceive to be New York's greatest mistake.

There are the everyday workers who count their ribs on release from those traveling sardine cans known as New York subway trains. For they, too, are headed for the herded skyscrapers. By bridge and tunnel, by trolley and "L" and subway, the thousands—the millions, in New York—are just trying to get to their work.

It is, after all, an extraordinary affair, this course of sprouts that New Yorkers go through at the hands of their skyscrapers. Popping out of the subway kiosks, like so many prairie dogs to see a train go by, they find no time to drink in a draft of Nature's sunshine. Ahead are the skyscrapers—the job—but in between are what used to be streets before the skyscrapers collected there. Now the old ways are restless troughs of solid moving humanity. In the center the motors crawl and squawk and spit fumes, from hub to hub, from curb to curb.



Looking Down a Future Street. Steel, as well as other building materials, has its own ideas of what metropolitan building should be



At crossings there are tired traffic cops, with whistles, waving arms of blue, and hoarse stage promptings of "Watch out, now!" "Get back there!" "Come ahead, you!" Overhead are strange twinklings of red and green lights by day, from towers in midstream and poles on the banks. And far above stretch the sleek sides of the skyscrapers, the goals of this travail, reaching higher and higher and clustering more and more thickly as the days go by. In easy mockery they look down on the seething throng below that mastered the making of them but now succumbs to the serving of them.

It is no joke to get through this strange mess safely. It is impossible to get through it swiftly or easily. It is death to touch it, at times.

But, once within the stem of the skyscraper, it would seem that the vertical travel up through it by elevator would afford a comfortable contrast to the exasperations of the horizontal approach below. Yet even here there is a rush-hour shortage of elevators that insures a vertical afterglow of the horizontal sardine life already endured.

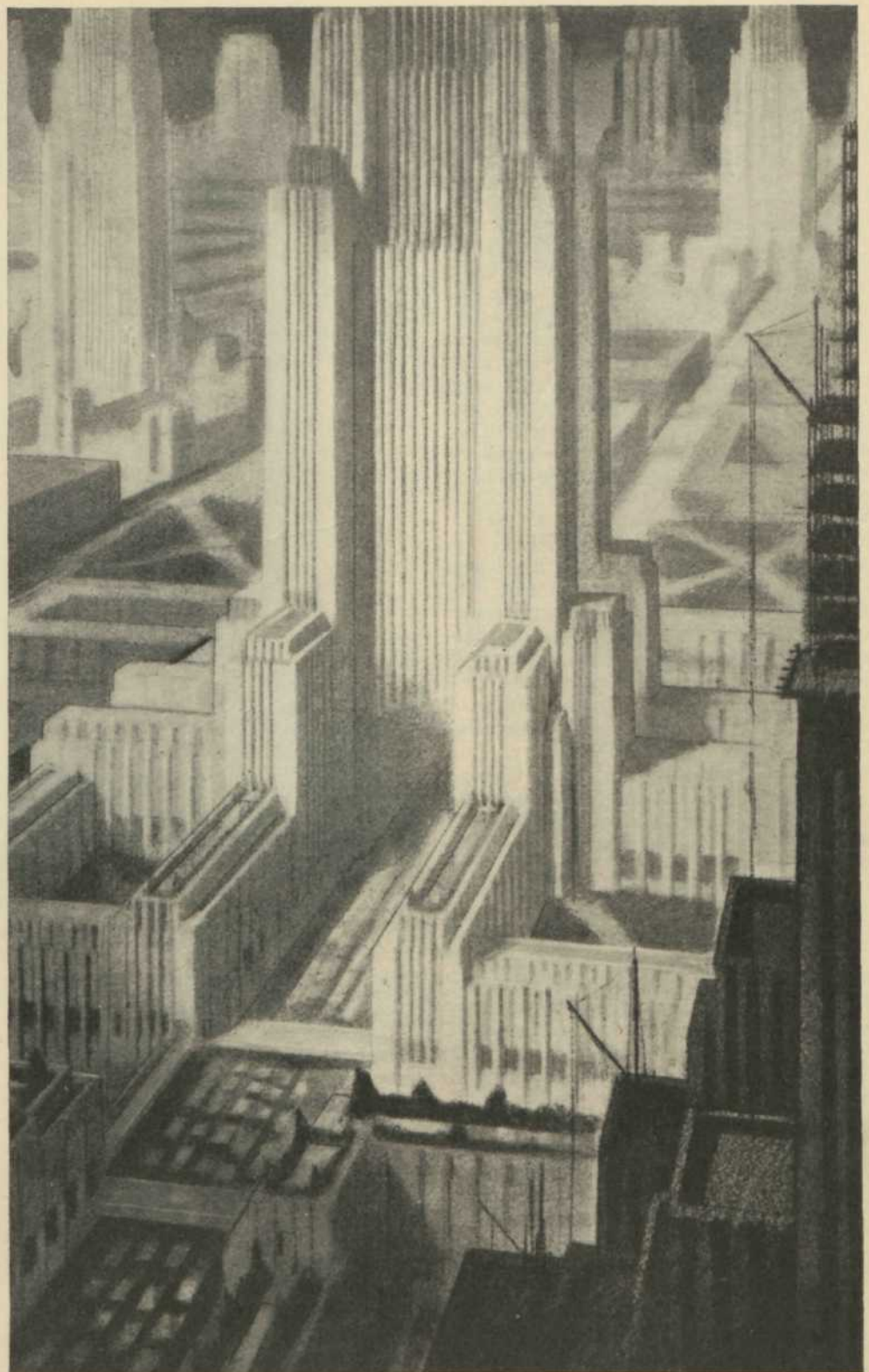
For years the burning question in New York elevator life was whether etiquette decreed the removal of a man's hat while women were present in the elevator. Some removed the hat and had it crushed and cursed for the room it took when held in front athwart the owner's wishbone. Others held the hat aloft and discovered with satisfaction the excellent athletic condition of their arms through practice on the flying rings in the subway cars. Still others left the hat determinedly on the head and shortly ceased to feel that reproaching tingle of scalp that is supposed to accompany a realized breach of etiquette.

#### The Hat Problem in Elevators

THEN, gradually, as the skyscraper increased and multiplied, there came to pass a code of "hats on," south of City Hall, but "off," to the north. For a time there was peace. But as the skyscrapers sprouted up along the northward path of Broadway, the code followed their march, as an adjutant follows his colonel. Hats soon stayed on to Fourteenth Street, then to Forty-second Street, and now, they say, all the way to Central Park, with only hotels, stores and apartment houses excepted and set apart.

And then, finally, after the hat problem, comes the long day's delving at desk or machine under a green eye-shade and a yellow bulb. The reward is won—God's in His Heaven; all's right with the world—for at last the workers are at work in New York's hub. When evening comes they will do the same thing all over again, to get home.

This interesting manufacture of human discomfort by the skyscrapers and their acolytes, the subways, is no longer local to New York. In Los Angeles it is now proposed to build subways in order that the workers of that city may travel like moles under ground as in New York. In Los Angeles, too, the skyscrapers have filled the surface streets with their teeming crowds; so it is time to build new streets, underground! As more skyscrapers go up, dig more subways below. Keep pace!



*The Metropolis of Tomorrow, as the cement industry sees it*

But is that right? Is it more sensible, perhaps, to control the clustering of the skyscrapers—to limit the cubical human contents of a given volume of air—the density of workaday population—so that the need for underground travel does not come to pass? Better, perhaps, to practice prevention and escape the cost of cure? To strike at the root of the disease, rather than let it run to its limit and try to keep pace with it and live?

In Detroit a fortunate family is building an 85-story skyscraper—higher than any now in existence—in the very center of the city's most intense congestion. At the same time the City of Detroit is planning her

first subways to serve the skyscrapers already clustered there. All the little taxpayers and rentpayers of Detroit will join in bearing the cost of subways dedicated to the service of a few score affluent skyscrapers, and all they will get for their expensive eminence will be more crowding, more discomfort.

And now, to pile Ossa on Pelion, a New York architect announces a building of 110 stories! This inverted spy-glass is to rise 1,200 feet in the air, thus outstripping not only Detroit's effort but also the Eiffel Tower in Paris, which is still the highest piece of construction in the world. If the spy-glass were to grow in the green mead-



ows of a vacant valley, it would harm only the looks of the valley. Instead it picks a roost in 42nd Street, New York, where the seething of human congestion is already beyond all bounds of comfort and even safety.

In Grand Rapids a fair and far-seeing zoning law, adopted unanimously after long study, has just been shot to pieces by the special sanction of a 34-story skyscraper—quite low—to rear above the general city level of twelve stories or less. There will be more special sanctions. In New York a few scattered skyscrapers first stole the light and air of their lowly neighbors and took more than their share of human use of the adjacent streets. Then a few more came, like chickens in a barnyard racing after the chicken that has just obtained the choice bit—to share in the bit. Then they came in flocks. And then came the subways to serve them, and now—"Watch your step!"

#### A Drastic Step in Chicago

**I**N CHICAGO they have just lifted high their skyscraper lid—to 265 feet with setbacks besides—under persistent pressure from below by those who insist on sharing the "choice bit" of light and air and street use already possessed by the pioneering few above. The traffic troubles of Chicago's "loop" of skyscraper concentration are known to the whole country. And now, in due course, there is talk in Chicago of building subways to aid the overburdened "L" and surface lines in carting Chicago's workers in and out of the hub that is a "loop."

In contrast there is the City of Washington where the lid is still on. Also there is Boston which still seems safe against skyscraper sickness. Two hotels she has allowed to mount to 15 stories. But the plan to put up a 15-story apartment house on 5-story Beacon Hill has started staid Bostonians pitching tea into the harbor all over again, while Faneuil Hall wakes with a growl that should be final.

The people of many of the smaller cities have taken to copying the big fellows by chipping in to put up a single outstanding skyscraper as proof to the world that their particular city is "alive," and full of "boost." They "tell the world" that "you ought to see our twenty-story Bugg Building"; and they earnestly believe—some of them—that the mere fact of a high building means a happy, hustling town.

That is the story of scores of our smaller cities. With some of the big fellows, however, the story has now unfolded, within a single generation, to its inevitable dénouement of street congestion that is usually unbearable and often unsafe. He who runs may read.

In New York, the Island of Manhattan is covered by many streets, few parks, and 100,000 buildings, of which 2,000 are skyscrapers. The prices paid for the lots that hold the 2,000 high buildings catch the eyes of the owners of the 98,000 low buildings.

And yet the debate goes on over this question of better control of skyscrapers in the interest of light, air, looks of cities, and unscrambling of city crowds. A foundation for action is being built. Here and there action has already followed talk. Boston and Washington are only two of



*The oldest "skyscraper" erected by the Government. The Cape Henry, Va., lighthouse, built in 1792*

several recent American instances of action forbidding further excesses.

Cleveland has hastily planned a temporary, stop-gap zoning law to stop excesses until she can put through a law that is matured and comprehensive. In Australia, the Cities of Sydney and Melbourne have weighed the pros and cons of skyscrapers and have now forbidden them entirely. Europe has stuck to her age-old refusal in the face of the most urgent attempts to lift the lid. Paris has gone farther and lopped off two stories from the top of a hotel which had mounted beyond the allowed level of buildings near the Arc de Triomphe.

Apart from government action, there is a growing disposition among private interests to go slow in their skyscraping. A beautiful old house of the Vanderbilts at 52nd Street and 5th Avenue in New York was recently torn down to make way for a 30-story skyscraper. The new owner suddenly changed his mind. He has just finished a 5-story building instead and already finds it a financial improvement over the prospective hazard of the 30-story venture.

There is an old adage that in buildings the money is near the ground. It is still true. With exceptions that serve only to prove the rule, the higher rates of return come from the lower stories. There are some who have not yet learned this rule. They are likely to do so soon to their financial cost.

For instance, open warnings are now

heard from builders and lenders alike that the skyscraper neighborhood of 42nd Street in New York is overbuilt—overbuilt because the circulatory streets and subways can no longer handle the traffic born of the great jumble of skyscraper flesh and bone above them. This would seem to be so when it is remembered that in the slice of Manhattan between 30th and 60th Streets, from river to river, there are 3,180 garment firms and 1,777 millinery wholesalers and manufacturers with their hordes of workers, up in the skyscrapers, stitching away on the hats and coats, their flocks of motor trucks down in the streets snorting away as they carry the raw materials in and the hats and coats out.

The trucks so crowd the streets that it is a daily experience for a driver to circle a block six or seven times before he can find a free niche wherein to tuck his truck and load or unload. As for the workers, the scandal of New York's sardined subways tells their part of the story to all who care to chance even a look at these ditches of dismay.

In this same district there are 34,000 hotel rooms, 71,000 telephone subscribers and 142,000 theater seats; also an annual arrival and departure of 79,000,000 railroad passengers, and an annual separation of 300,000,000 subway and elevated nickels from rapid transit passengers.

On Manhattan Island as a whole, the new office, loft and hotel skyscrapers, planned in the year 1926 alone, will add a further daytime population of 150,000 people to the three millions and more already there by day. To haul these new people to or from a given neighborhood in an hour would require the entire use of five subway express tracks with ten-car subway trains rushing through them on a two-minute headway and jammed full with passengers standing and sitting. Just how could there be other than overbuilding, with that sort of thing going on? You can neither stretch old streets nor dig new subways in sufficient measure ever to care for such a surfeit of skyscraping containers of countless human beings.

#### Little Ones From Big Ones

**T**HE trouble is not mere concentration. All cities are concentrations. It is too much concentration. What we need in our cities is a lot of little concentrations rather than one big one.

We can plan outskirts and suburbs of garden city homes, with office or factory not too near the home, and yet within short shot of it—say a mile by foot or surface car, instead of 20 miles by crawling motor or suffocating subway. We can gradually resolve our cities into constellations of small, comfortable and self-sufficient constituent communities.

Is it not the duty of a city government to guide a city's structural growth, and guide it in time, rather than let it pile up pell-mell in the middle and then try to extricate itself from its own *laissez-faire* embarrassment? Government guides reasonably in many another field. Are skyscrapers sacrosanct that they and they only may run wild for the benefit of a few real estate speculators and to the detriment of everybody else?



# The Next Step to Tax Reduction

EVERYONE agrees that taxes are necessary, but nobody likes to pay them. That taxes, when wisely used, benefit the country in general and in the long run help business must be admitted, but there is a wide difference in opinion as to how much the Government should spend and how its revenues should be expended.

One does not have to be an economist to know that taxes not needed should not be collected, and that revenues not properly expended are wasted. Our Federal taxes were excessively high during the war—necessarily so. They have been rapidly reduced since the war. In fact, our country is the only one engaged in that great conflict that has been able to make any material reduction in its levies, and some, like France, and Germany, have been compelled to increase them. But these reductions, while pleasing to the taxpayer, are still considered insufficient for the reason that the taxes levied have produced more revenue than is necessary to carry on the Government.

## Getting Money

THE Ways and Means Committee does not have jurisdiction of the appropriation bills under which government expenditures are made. It must, as it best can, determine in advance the amount of receipts and expenditures of the Government, and then fix the amount of taxes to be levied. The revenue bill of '26 was, to a large extent, prepared in '25 before Congress had met. When the bill was written there were many who wished to limit taxes to just the amount of the estimated expenditures but the committee believed that it should provide for a safe margin of receipts over expenses, and it was well that it did.

We needed to wait and ascertain how the new law would work, what surplus it would produce, and from what source it was derived, in order to determine where the next cut should be made and how much we could pare off.

We know now that we shall have a surplus of about \$500,000,000 at the end of the fiscal year on June 30 next, but we also know that a large portion of this surplus consists of non-recurrent items, such as repayment of loans to railroads, back taxes, and other credits which either will

By WILLIAM R. GREEN

*Member of Congress from Iowa; Chairman, Ways and Means Committee*

Cartoon by Cesare

not again occur or the amount thereof will be greatly reduced. We should also keep in mind that the United States Treasury, like any great business concern, needs to keep a balance on hand proportioned to the business transacted.

In my judgment \$100,000,000 is not too much for that purpose, but on the contrary rather small. A mere slackening in business would wipe out that balance from the favorable side of the ledger, and a

business was deeply depressed, to 1926, a year of general prosperity, except in agriculture.

The Ways and Means Committee will meet in the fall before the Congressional session begins to revise our internal revenue laws. While we can at this time safely predict a surplus for the fiscal year 1928 on the basis of the present rates, not until next December will we be able to predict its amount with the degree of accuracy necessary for the proper framing of a revenue bill.

We do not want or need to take any chances of being put in the situation of the English Chancellor of the Exchequer who, a little over a year ago, predicted that his bill would produce a small surplus, but who now finds that through unforeseen circumstances he is faced with a deficit, and that new taxes must be imposed. Taxes are disagreeable enough at best, but when they have prevailed for some time business in a measure adjusts itself to them. To take off a tax and then restore it is not only irritating, but produces damages beyond the amount of the tax.

## Present Surplus

IT IS quite proper to discuss what disposition should be made of the present surplus.

A small surplus should, of course, be applied on the public debt. Indeed, there are some who contend that any surplus we have should be disposed of in the same manner. The proposal to use the surplus to pay the public debt appeals to many, and if no legislative action is taken there is where it will be applied. It is

argued that such a policy is in effect tax reduction and attention is called to the fact that since the war, \$7,000,000,000 has been paid on the national debt and that thereby a saving is effected in interest charges of over \$280,000,000 annually.

## Shall We Pay Debts Now?

WITHOUT the payments heretofore made it is claimed that taxes could not have been so extensively reduced in the past, and little if any surplus would appear in the future. It is urged that the time to pay debts is when we are prosperous, for thereby the load of taxation would be lightened in times of depression, and it is also said that we should get rid of the greater part of our national debt to be pre-

## The Minority View

By JOHN N. GARNER

*Member of Congress from Texas; Ranking Democratic Member, Ways and Means Committee*

EVER since I have been a member of Congress I have followed the policy of awaiting full hearing and discussion before the Committee on Ways and Means, before I finally made up my mind as to the provisions, or policy to be pursued before that committee; therefore it is varying that rule to express myself at this moment touching what should be done in November or December.

However you can get my viewpoint at this moment, touching tax reduction, by referring to a bill I introduced in the 69th Congress, wherein I suggested the reduction of the corporation tax to at least 11 per cent, and now the facts show that it should be reduced to 10 per cent; repeal of the nuisance taxes, including theater and club dues, and the repeal of the automobile tax. At this time I see no reason to change views expressed in that bill.

I said then through the Press as well as on the floor of the House, that there would be more than \$500,000,000 surplus this fiscal year.

I recall, with some pride, my prediction concerning revenue receipts and expenditures for the past five years, in which I have out-guessed the Administration, or shall I say, I have been more accurate and more honest in my estimates? The President, the Secretary of the Treasury as well as the Chief of the Budget, estimated \$183,000,000 surplus at the beginning of this fiscal year. My estimate at that time was \$400,000,000.

general depression in business would make a difference of more than twice that amount. On the other hand, it should be considered that our country is growing and developing.

If no adverse conditions arise (and at the time of writing this article no change is in sight) our national revenues will grow with the development of the country. Expenditures may also increase for the same reason, but not, as I think, in the same proportion.

The rapid increase of business is one thing that has caused the advance estimates of our tax receipts to be made too low for the last five years; but it is not the main cause, which is the increase in business profits from 1921, a year when



pared for additions to it in case of war.

All these arguments, however, are likely to be swept aside by the pressure for reduction of taxes on the part of those who feel they are unduly or unfairly burdened by them. It must be admitted that it seems unfair that the present generation should be required to assume all the burden of debt reduction. Moreover, the debt will be reduced with reasonable rapidity through the application of the sinking fund with which nobody proposes to interfere, and the payments made by foreign nations on their debts to us, which the law also required shall be used to pay the debts owing to our own people. We can safely conclude that, if there is any considerable surplus in sight when the Ways and Means Committee meets, it will bring about a reduction in taxes.

#### Choosing the Best Tax Method

**BUT, HAVING** reached this conclusion, the final determination is still far away, for there are many ways in which tax reduction can be effected, and the committee must determine which are the better.

So much depends upon the amount of the surplus, the general condition of business, and many other matters that it would be premature for one in my position to advocate any particular plan at this time. It may, however, help the public to understand the problems that will confront the committee, if we discuss some of the propositions that will be urged upon it, and set out some of the arguments that can be made for and against them without in any way expressing approval or disapproval thereof.

It is already evident that a reduction of corporation taxes will be urged upon Congress. A review of the Federal taxation of corporations will be of value in connection with this proposal. The present corporation income tax was first applied in President Taft's administration in 1909, and the original rate was one per cent of net incomes in excess of \$5,000. In 1916, when the exigencies of war required so great an amount of revenue, the rate was raised to 10 per cent.

The highest rate of the normal income tax then in force against individual incomes was 10 per cent and it was considered at that time that the rate on corporations should correspond to the normal tax, and that corporation dividends when distributed should be exempt from the normal tax in the hands of individuals to whom they had been paid. This last provision, which is peculiar in our law, has remained until this time.

#### A Large Capital Stock Tax

**IN 1916** there was also imposed upon corporations an annual capital stock tax of 50 cents for each \$1,000 average value of the stock during the year, which was increased to \$1.00 per \$1,000 by the Revenue Act of 1918. In 1922 the excess profit tax on corporations was repealed by the Revenue Act of 1921, and to take in part the place of this tax  $2\frac{1}{2}$  per cent was added to the corporation income tax, making the total  $12\frac{1}{2}$  per cent.

At the time when the last revenue bill was under consideration there was much

complaint with reference to the complications and difficulties which resulted from the application of the capital stock tax. It was insisted that it would be much easier and better to increase the corporation income tax and repeal the capital stock tax, and the corporation income tax was increased to  $13\frac{1}{2}$  per cent for 1926 and thereafter. This led to the repeal of the capital stock tax. Unquestionably, the repeal of the capital stock tax greatly simplified corporation taxes, but, while it was intended that the increase in the income tax should only make up for the loss of the capital stock tax, the total sum collected has been greater and the distribution of the increase has not been equalized. Some corporations are paying considerably more than before, and others less.

Those who desire to have the corporation income tax reduced, and they are many, complain that while all other taxes have been largely reduced the corporations have had their taxes increased. While this is not strictly correct, it is a fact that corporate taxes have not been reduced in proportion to the reduction in other levies.

There is also, and has been for some time, a complaint on the part of the stockholders in small corporations—that is, those having few stockholders and comparatively small incomes—that they are compelled to

pay a tax entirely out of proportion to what they would pay if the same business were carried on in the form of a partnership. In most cases this is true and it will be strongly urged that the corporation exceptions should be increased or that the rates should be made lighter on this class.

Proposals were made last year to the committee to reduce the corporation income tax to 10 per cent, and some even urged that the rate be reduced to 6 per cent to correspond with the normal tax on individual incomes. It should be kept in mind in this connection that each 1 per cent off of the rate will reduce the total receipts about \$100,000,000 and consequently, unless the surplus is larger than can now be foreseen, a limit will soon be reached in reduction of corporation tax.

#### What of Corporation Taxes?

**THERE** are those also who oppose any reduction in corporation income tax, saying that when it was originally laid it was conceded that corporations by reason of having been granted special privileges that gave them an advantage over individuals and copartnerships, were proper subjects for taxation, and that while the present tax is



*"As long as any state bids for the residence of the wealthy by forbidding inheritance taxes, if the Federal tax is repealed, other states must make their levies nominal or . . . enforce them only as to people of small means"*



"Most owners of great fortunes will have a residence where there is no inheritance tax," says Representative Green



much larger than that originally imposed the same thing can be said without reference to the income tax rates in even a greater degree.

The question of corporation income tax can never be entirely separated from the consideration of the individual rates. We need to consider whether the corporation income tax is paid by the stockholders by reason of decreased dividends, or whether it is in some form passed on to the individual consumers of the products of the corporation or the users of its services. Those who seek the reduction of corporation taxes are asking for it on behalf of the stockholders, as a rule. But it is a common assertion that corporation taxes are shifted, especially in cases of manufacturing concerns, to the ultimate consumer.

The last revenue bill reduced the maximum surtax rate from 40 per cent to 20 per cent, but it made this maximum apply to

incomes above \$100,000, whereas the Act of 1924 did not apply the maximum rates until incomes above \$500,000 were reached. The result was that in percentages as well as amounts the big incomes got a much larger reduction. Under the old law a net income of \$52,000 paid a surtax of \$3,900; under the new law \$3,240; a reduction of less than 20 per cent, but incomes above \$500,000 got a reduction of 50 per cent in surtaxes.

On smaller incomes the disparity was greater. An income of \$36,000 got a reduction in surtaxes of less than 10 per cent. Naturally the question arises whether any reduction that is made should not begin by making the maximum surtax rate when reduced apply as before to incomes above \$500,000, and grade up to that amount, which would make reductions all along the line and tend to equalize the disproportions above stated. After that, if there were sufficient revenue, we could make as nearly as possible a reduction by a uniform percentage applying to all surtax rates.

The repeal of the Federal estate tax, or inheritance tax, would, in my opinion, do more to increase unjust discrimination in taxation and foster socialism than anything that has occurred in the last half century. A full discussion of the subject would require more space than can be given to the whole of this article. I can only touch a few of the salient points.

In a general way the federal inheritance tax is an ideal tax and is supported by

practically all economists. It is simple in its application, easy to collect, and imposed in accordance with ability to pay. It is the one tax that everybody agrees cannot be passed on or shifted to some other person by the immediate taxpayer, and probably this is the cause of so much opposition to it. The exemption has been raised to \$100,000 and six years can be obtained in which to pay it. The rate is merely nominal on the first \$50,000 which is taxable, increasing slowly to 20 per cent on the excess above \$10,000,000. The argument generally made in support of the repeal of this tax is that the states need the revenue which can properly be obtained from this source, and, therefore, it should be abandoned to them, but the real purpose on the part of those most insistent for its abolition is to wipe from our statute books all inheritance taxes, both state and national. As long as any state bids for the residence of the wealthy by forbidding all inheritance taxes, if the Federal tax is repealed the other states must either make their levies on inheritances merely nominal or be willing to enforce them only as to people of small means.

#### A Plea for Uniform Estate Tax

THE inheritance tax should be as nearly uniform as possible over the whole country. This is accomplished by the provision in the present Federal estate tax law which allows all state inheritance taxes to be credited on the Federal tax up to 80 per cent thereof.

The contest will come between a repeal of the estate tax and a reduction of the individual income tax. The amount annually collected under the estate tax will probably shrink to somewhere between forty and fifty millions. From any point of view I maintain that forty-five millions taken off of the income tax would be vastly better for business and the country at large than the abolition of the estate tax.



# A Frenchman Talks Frankly About Us

*Andre Tardieu Likes Us, but Says We Are Proud, Preachy and Arrogant  
And That France Is Just as Bad in Other Ways*

By MERLE THORPE

**T**HE TROUBLE with most Americans is that they honestly believe they are better than the men of other lands, because they have more worldly goods. Your pride of race, which has increased since the war, your wonderful assurance that you alone know what is right, makes it very difficult for Europeans nations to love you despite all your fine qualities, your idealism and generosity. You are so anxious to teach the lesson of your success to all the world that you are blind to the fact that the advice you are so fond of giving is generally wrong and almost always inapplicable to those for whom it is intended.

**Says U. S. Is Ignorant, Too**

**Y**OU KNOW how ignorant people in Europe are of American conditions, and yet you are just as ignorant of European conditions. Our problems are so dissimilar that they cannot be compared. Our woes—and much of your prosperity—are the result of a war of unparalleled ferocity and magnitude. It lasted fifty-two months, during only eight of which the United States was really in the fight. Of the other forty-four months, you spent thirty-two in neutrality and twelve in military inactivity. Having acquired half the gold in existence and abandoned us as soon as victory made her safe, America seems to think herself called upon to give us gratuitous and reproachful advice. That is one of the irksome factors of Franco-American misunderstanding."

Andre Tardieu is speaking. I called upon him because everywhere he was mentioned to me as France's coming man, upon whose broad shoulders the mantle of Poincaré will some day fall. He answered my questions frankly, speaking in a quiet but singularly forceful tone. He is a big man and looks it. His high forehead, open features, wide-spaced eyes, powerful—even pugnacious—jaw and chin,

lacking in all tenderness, are softened by the laughing blue eyes and the engaging smile that plays constantly around his

keen, so determined, so persistent when their personal prosperity is at stake, take little interest in public affairs and almost none in foreign affairs. They sanction delay and indolence in great national transactions. They no longer vote. Nearly half pay no attention to elections. Yet at no time in French history has national action had such opportunity to improve the individual's prosperity."

M. Tardieu said that while the Frenchman wanted the friendship of America he could scarcely have done worse if he had set out to lose it forever. Tactless and shortsighted, knowing that Americans respect success, the French have done everything to make us believe they are wasters and inefficient. Admitting freely the many errors since 1919, he suggested that two accomplishments, the amazing rehabilitation of the devastated regions and the restoration of French finances, if properly presented, might have appealed to the American's appreciation of success. But such successes as these were lost sight of in the general tumult of fault-finding.

**"Too Much Sentimentality"**

**W**E HAVE conducted our foreign affairs with sentimental sloth," said he. "The mistakes with which our path has been strewn are many. We allowed ourselves to think that you went to war because of love for us and not for your own rights; the mistake of thinking you would not make a separate peace; the mistake of allowing reparations to be reduced with no discussion of the reduction of debts; the mistake of thinking that a debt can be settled by a mere disposition not to talk about it.

"Psychological factors are of great importance in the comity of nations. If France and the United States are to get along together our people must bor-

row not your dollars, but your optimism, your love of constructive achievement, your splendid public spirit. Unfortunately resentment does not make for clear appre-



*Andre Tardieu, the "Coming Man" of France, who takes the middle ground of common sense in talking of the United States and France*

rather full lips. He then continued: "I am not saying it is all your fault. We are just as much to blame as you. We are lacking in public spirit. Frenchmen, so



hension, and none of the admirable traits America possesses is appreciated at its worth. Once the idol of France, the United States is today without worshippers. Financial power is the only means of influence you have left."

I broke in to ask M. Tardieu what he thought of the debt question. He answered at once and without hesitation:

"I don't know what will be done when the time comes to make a settlement, but there will have to be an entirely new negotiation. It certainly won't be an actuarial discussion. Nations, like men who speak the language of real comradeship, have to distinguish between commercial investment and friendly assistance. In the one case a bargain is driven—and we know from Shakespeare that the hardest bargain is not the easiest to enforce; in the other, when money lent to a friend is returned it is received without interest and with thanks."

"So you don't think there is any chance for the Berenger-Mellon agreement?" I asked.

"The Berenger-Mellon agreement will never be ratified," he replied. "No French government will ever take the responsibility of binding France for sixty-two years. Our people would never understand, and our parliament would never approve. The debt agreement is dead."

Noting the little enthusiasm with which I received this statement, Andre Tardieu said: "I can't see why you should think it extraordinary we don't ratify the debt agreement, when you yourselves never ratified the Peace Treaty."

He said this with a snap. Evidently Tardieu thought that a treaty was a treaty, whether involving the settlement of an acknowledged debt or the reconstruction of a continent after a great war.

#### Tardieu and the World War

I COULD not forget that the man who was speaking did more than any other French civilian—with the exception of M. Clemenceau—to win the war. He directed one of the most stupendous undertakings of modern times, spending three and a half billion dollars for the account of France in the United States, and was responsible for that Franco-American cooperation which enabled the United States Army to make its weight felt in 1918 in time to turn the scales of war when even Foch was convinced the struggle would last another year.

Tardieu negotiated and himself wrote the only clauses of the Treaty of Versailles that have endured, the territorial clauses by which the security of France is assured. He achieved this before he was forty-two, a generation younger than any other statesman who played a leading part in the great drama which changed the course of history.

Today at fifty Andre Tardieu holds three important portfolios in M. Poincaré's cabinet and is everywhere recognized as one of the foremost statesmen in Europe. His latest book, "France and America," brings all the resources of a mind admirably endowed by nature and splendidly furnished by study to bear upon a problem essential

to the progress of civilization: the relations between the two leading republics of the world, France and the United States. Here, sketched with a master hand, is a striking picture of the growth and development of two civilizations widely different but which experience has shown are not incompatible.

#### Exchangeable Trade Secrets

I ASKED Andre Tardieu what American industry could learn from French industry and vice versa. He said:

"Here again our two problems are so utterly different that what succeeds in one country may well be a failure in the other. Take French production, whether it be an automobile or a lady's hat, a piece of silk or dress goods or anything, we must capi-

**L**ACK of understanding between peoples results not only in breach of friendly political relations—in warfare, in short—but in serious breach of business relations.

Peace, therefore, as well as satisfactory economic contact, is enhanced by the promotion of that mutual understanding which M. Andre Tardieu, France's "coming man," urged so forcefully and convincingly in this interview in Paris, June 27, with the editor of *Nation's Business*.

talize on quality of workmanship, on artistic design, on elegance and finish. America relies on mass production totally unsuited to French conditions on a production which our market could not absorb.

"The great thing for our two countries is not to try to copy each other but to understand each other. That is really the basic need. You can't build a fifty-floor skyscraper on the banks of the Seine because the conditions of the soil are opposite to what they are in Manhattan, and the cleverest of our milliners cannot make Paris hats in the atmosphere of Chicago. How many American houses have hired a *premiere* hoping to save the expense of buying models in the Rue de la Paix. Every one of them has regretted it because elegance and taste bloom to greater perfection in the atmosphere of Paris than anywhere else in the world."

M. Tardieu is a Parisian. He sleeps in the room in which he was born on the second floor of a stately apartment house his father built near the Parc Monceau, the most exclusive quarter on the right bank of the Seine.

There is nothing ostentatious or unconventional about the man or his family history. Since the days of Henry IV the Tardiens have been leading burghers of Paris. From 1674 to 1818 they were engravers from father to son, engravers to the kings of France. The first to forsake the pointed burin was Ambroise Tardieu, the greatest of medico-legal experts whose works on poisoning, malpractice and all the other problems of legal medicine are still standard. There is hardly a writer of detective stories from Conan Doyle to the latest comer who has not borrowed from them.

But there had never been a public man in the family. Andre Tardieu was the first to venture upon the quicksands of politics a name borne in the past only by artists and scientists. Naturally of an independent spirit, brought up to use a mind steeped in classical lore, to think for himself and to apply to his conclusions the test of historical experience, he has never been the slave of political party or dogma. Indeed he has paid in full the price of political independence, for his defeat in 1924 was due to his being frozen out by the political machine to which he had allowed his name to be attached in 1919.

There are no strings on Tardieu. Few men are so free from political and social obligations—so much at home with the humble as with the great. This stood him in good stead when in March he was suddenly faced with the danger of a coal strike that would have upset all plans for financial restoration.

I asked M. Tardieu what arguments he had used to induce the miners to accept a reduction in wages and the owners to pay more than they thought they could possibly afford. The Minister smiled and said:

"None. Both sides had such a good case that it seemed useless to argue. Argument would merely have fortified both sides in their views, so I didn't talk about the merits of the case at

all. I just showed each side quietly and separately what the consequences to them of a strike would be, even if they won. I merely preached the lesson of the British coal strike, and let human nature take its course. When the miners realized what untold hardships and suffering a strike would bring to themselves and their families, how it would weaken their labor organization; when the owners realized what financial losses even a successful strike would entail and how greatly the danger of government control of their industry would be increased; when both sides saw what they stood to lose, I brought them together, and, as I had hoped, I found them ready to make real sacrifices to adjust themselves to conditions they could not alter."

#### Ever a Fighting Statesman

WHAT Andre Tardieu did not tell me was that when the contending parties finally came to terms he not only stood by and saw fair play but was ready to fight for it. The fact that he is a fighter and will never compromise on what he believes are essentials did not deter Poincaré from taking him into a coalition cabinet where everyone was asked to make some sacrifice upon the altar of financial restoration. After he had joined the Cabinet, an American magazine published an article written months previously by Tardieu in which Poincaré, Barthou, Briand and other French public men were severely manhandled.

He went to Poincaré and told him the facts. Poincaré said, "That's all right. I don't know what's in the article, but it can't be any worse than the things you have



often said to my face in the Chamber."

His fighting qualities have stood Tardieu in good stead all his life. After studying medicine he went up for the Ecole Normale Supérieure, passed a brilliant examination and did not enter. Then he passed the diplomatic examination and at the age of twenty-one entered upon his official career as attaché of the French Embassy in Berlin under the Marquis de Noailles. There he took full advantage of an unique opportunity of studying German methods and German mentality. In 1899 he was taken from the diplomatic service and made secretary of the cabinet of Waldeck Rousseau which restored civic peace in France after a long period of political unrest.

#### Famed as Political Writer

THEN Andre Tardieu began writing articles for the *Petit Parisien* under a *nom de plume*. They attracted immediate attention, the secret of his authorship was not well kept, and he joined the staff of *Le Temps*. Then began a series of splendid daily articles which, starting on January 1, 1905, lasted till the war. It was the spring of his life during which bloomed and was made manifest an independent spirit and a master mind. His articles left traces which still last. They prevented the outbreak of the war in 1911. They strengthened France's system of alliances, weakened Italy's attachment to the Triple Alliance, above all nurtured and made strong the Entente Cordiale, the foundations of which were laid by King Edward VII.

Then the war came and with it Tardieu's great opportunity. He was at once attached to the staff of General Foch, later to that of Marshal Joffre. But "desk-soldiering" was little to his liking, and almost at once he asked for and obtained an active command. In the first weeks of 1915 he was appointed captain of the 44th Battalion of Chasseurs. He took part in the battles of Artois and Verdun in 1916. Several times mentioned in dispatches, wounded and gassed, he won the Croix de Guerre with two palms and a star.

Shortly before the war he had been elected to the Chamber of Deputies and when convalescent he returned to the Palais Bourbon, and in the secret sessions at which the conduct of the war was discussed he threw himself into the debates, told the deputies the truth about what was going on at the front and exposed errors because the fate of France was at stake.

Tardieu is a natural born orator and his trenchant criticisms of the government so frightened Ribot, who was then Prime Minister, that in order to rid himself of so dangerous a critic he took advantage of America's entry into the war to appoint Tardieu to a post that would take him away from the Chamber of Deputies. He was named French High Commissioner in the United States. Tardieu landed in America just as the Viviani-Joffre Mission was leaving. The number and variety of the obstacles with which he met showed Tardieu that his appointment was an exile, not an embassy, but he disregarded all limitations placed upon him and went right ahead with his task.

Then Ribot fell and Tardieu was given a free hand. What he did is one of the

most dramatic achievements of the whole war. In November, 1917, he refused Clemenceau's offer of a portfolio because he did not wish to leave the United States till his work was done. When more than a million American soldiers had been landed in France and the machinery in the United States was working with watch-like precision, Tardieu returned to France and was given complete control of all things having to do with the American Army in France.

I brought Andre Tardieu back to the causes of what he indicated as the temperamental incompatibility of the two great republics.

"Fundamentally different," said he, "so different that the one may be said to be the antithesis of the other. The dominant characteristics of the pioneer stage from which the United States is just emerging were extreme insecurity of conditions and extreme equality of opportunity, two things which are foreign to our civilization.

"In France the son waits for the death of his father to carry on his work in the same place. Very few Frenchmen make their own way in life, and it is exceedingly rare for a man to change his calling, or, for that matter, his residence. In America the winning of the west meant a continual shifting of the frontiers of your civilization, constant mobility as man gradually conquered nature, but even today how many men in the United States are living in the house they lived in ten years ago? How many are occupying the same position they held ten years ago? Can't you see that this mobility of yours has created a mental complex entirely different from that which

has resulted from our stability? You Americans are always looking forward to discover hopes; we, too, often look backwards to seek whys and wherefores.

"But an even more important contrast between our peoples is the different conceptions we have of two fundamental factors of political life—liberty and political unity. In France we have always looked upon the nation as basic. With us we have done away with kings, the empire, limited monarchy; revolution has followed revolution, and yet never at any time in our history has anyone dreamed of suggesting the partition of French territory.

#### Tardieu's Views on Union

"BUT in the United States, whether on the tariff issue under Jackson or on the slavery issue under Buchanan, there was always immediate talk of splitting the country in two. The South looked upon secession as a right, and many in the North agreed. The Union survived only as the result of a great war, and up to the very end thousands of honest Americans on both sides asked themselves whether liberty was not more precious than union.

"No Frenchman could have understood such a question; to him the nation is paramount and civil liberty merely a conquest of man. To nationality Frenchmen have sacrificed liberty, have sacrificed equality; so you see that the differences between our two countries are not only differences of size but essential differences—our birth, growth, political ideals and material conditions are all different. Until we realize that, we cannot work together."

## The A B C of the New Bank Act

A FEW weeks ago the President of the American Bankers Association said in an interview that the three most important pieces of American banking legislation were the National Bank Act, the Federal Reserve Act and the recently passed McFadden-Pepper Bill. In a recent article on the bill, the implication was clearly made that, while useful, it was essentially little more than a readjustment of the National Bank Act and the Federal Reserve Act and it established no new principles. In order to correct this and other misleading inferences which I think might be drawn, it seems desirable to restate in proper perspective the fundamental changes which the enactment of this law will work in the American banking system.

There are three principles upon which the act is built:

1. That the National Government will maintain a system of banks and will not relinquish to the forty-eight state legislatures the entire control over banking. Without the National banking system and its control by the Federal Government, the Federal Reserve System becomes a voluntary organization, a sort of league of bankers with moral influence but no coercive power. The National banks could not continue in the race and drive a civil war model. Hence, the modernization of the National Bank Act accomplishes both the restoration of the prestige of the National banks and the continuance of the Federal

Reserve System of coordination as opposed to a central bank.

2. Physical conditions which are the outgrowth of the developments of large centers of population have created new demands upon bankers to maintain contact with their patrons. The automobile and the parking problem have induced many states to permit banks to establish branches for the primary purpose of physical availability. This matter is a local issue determined by local conditions, usually topographical, and it is so recognized by the new act which permits the National banks to do in the main in this regard what the public, by state legislative enactment, permits the state banks to do, but only within the limits of a single city.

3. The greatest issue in American banking has been how to maintain the most complete local, financial independence, and at the same time, provide for the mobilization of banking resources in emergency, both national and local. The European system does this by centralized control and accomplishes mobilization at the expense of local independence. The American theory is to preserve local control over local finance and secure coordination without concentration of ownership.

It has already become apparent that it will result in a regeneration of National Banking and the protection of our present financial system.

—HENRY M. DAWES.



# Violet Ray, the New Dairy-Maid

By JAMES L. WRIGHT

**T**HERE'S a new hired man on the American farm. He promises to be the best all-round hand ever. He never asks for a day off. He never wants to go to town. He is on the job, day and night, and ready to go to work on a moment's notice.

Not only does he help with the chores, but he makes hay when the sun isn't shining. He has put bees on a mass production basis. He makes hens lay as many eggs in winter as in summer. He makes cows give the same quality of milk when they are standing in the barn, chewing cuds, as when they are out in the green pastures in the spring. He has even controlled the maturity date of crops.

## All-Round Use of Electricity

Electricity is this new farm hand. It is showing the farmer tricks he never dreamed of, tricks that may afford a greater measure of "agricultural relief" than the congressional farm experts, working overtime.

It has been known for a long time, of course, that electricity could help with heavy farm work; that it could run everything from a cream separator to a threshing machine; but it is its lighter touch that is now promising to put good dollars—and more of them—into the farmer's pocket.

"Violet Ray," the little sister of electricity, is this new marvel. Violet promises to become a modern Maude Muller, and far to outdo Whittier's Maude, as a model dairy-maid. By simply touching the back of Old Bossy, or "irradiating" her, as they call it in the United States Department of Agriculture, Violet Ray makes the milch cow think the summer sun is shining on her back, and she gives milk containing a high percentage of bone-building qualities.

All Bossy has to do is to stand at her stanchion and allow the violet rays to play

on her back for from fifteen to thirty minutes a day. That doesn't make her a discontented cow. On the contrary, she likes it.

And so do the chickens. Biddie, who used to stay perched high up on the reel of the reaper in the machine shed during the long winter days, with her mind clear off the egg-laying business, will actually run for the violet rays when the door into the room in which the electrical equipment is set up is thrown open. She will spread out her wings and ruffle up her feathers to get the warmth, just as though she had found a nice heap of dust in the roadway under a July sun.

Scientific investigation has shown that the effect of these rays on chickens is much the same as when they are played upon cows in that bone-building materials are supplied. Egg shells are thicker, and the eggs ship better once the hen has been "irradiated."

## Longer Days for Hens

**I**T IS not claimed that violet rays make cows give more milk or hens lay more eggs, but the quality of both is enhanced. Through another use of electricity, however, hens are being made to lay more eggs in winter. Hen houses are lighted with electricity and her "work day" extended.

Dr. E. W. Allen, chief of the Department of Agriculture's experiment stations, says one may go into an electrically lighted hen house as late as 9 o'clock at night, scatter corn on the floor, and the hens will come down off their perches to dine.

Dr. Allen does not say that a hen will lay more eggs during the year by the use of electricity, but he states without quali-

fication that she will yield more eggs in the winter when the price is high.

"The question naturally arises," says the Oregon committee in cooperation with the National Committee on the Relation of Electricity to Agriculture, "as to what would happen to winter egg prices if lighting hen houses became a universal practice. It is quite probable that the winter price peak will flatten down somewhat, but the percentage of eggs produced by barnyard hens is great enough to prevent the leveling off of the price curve for many years, if ever."

It was when Dr. Allen appeared before the House Appropriations Committee in executive session to ask money from Congress to carry on his agricultural experiment stations that he told of the results of "irradiating" cows and chickens.

"The Maine experiment station," said Dr. Allen, "reported extensive work in irradiating cows, keeping cows in a dark stable, giving them electric light for one month, and then the next month giving them from fifteen to thirty minutes a day of irradiation with ultra-violet rays. There was marked difference in the quality of the milk."

The process of irradiating as described to the lawmakers by Dr. Allen is quite simple.

## Violet Rays for Health

**A** SPECIAL lamp, emanating violet rays, is installed in the cow barn where its rays may cascade over the backs of the patient kine as they stand in their stanchions. Continuing, Dr. Allen explained that this irradiation makes up in a measure for the sunshine of which the cows are deprived in winter.

Explaining the virtue of the process in terms of improved quality of milk, Dr.



PHOTO © F. ROBERTS ARMSTRONG

A touch of Violet Ray, or "irradiation," makes a cow give better bone-building milk. It is principally a winter treatment



Allen testified: "Specialists tell us that 90 per cent of the children born in winter months are subject to 'rickets' in some form unless special diet precautions are taken, so we have here a rather important problem not only for bottle-fed children but for milch animals as well. Irradiation, making up for the loss of sunshine, puts into the milk those bone-building qualities which are essential to a proper diet for guarding against rickets in infant children."

"Have you learned why an electric ray playing on the back of a cow, or a little sunshine, makes that difference in the milk?" Representative James P. Buchanan asked Dr. Allen.

"Nobody knows," replied Dr. Allen. "There is something very mysterious in the ability of irradiation to impart this peculiar property. The 'irradiated' hen, too," Dr. Allen added, "produces eggs with more lime in the shell, eggs which have a higher fertility. It is supposed to be a pretty good thing for hens to have a chance to get out in the sunlight. When you put them under glass they do not get that beneficial effect, because it is well known that ordinary glass takes the ultra-violet rays almost entirely out of sunshine. Experiments, however, are being made to invent a glass which will permit the violet rays to go through."

Dr. Karl Kellerman, of the bureau of plant industry in the Department of Agriculture, told the committee how the maturity of plants is controlled by electricity.

"Artificial light," said Dr. Kellerman, "is being quite extensively investigated. We find it possible to substitute artificial light for sunlight entirely. We can grow healthy plants in artificial light. It is still easier to supplement sunlight by extending the day with artificial light. The intensity of the additional light needs to be surprisingly low to make the plants change their behavior completely."

"We can hasten the maturity of a plant in the bearing of fruit and the ripening. We can take a plant that normally has to have 120 days to ripen the fruit and make it ripen in half that time. We can do it the other way about. We can take a plant that normally would ripen fruit in that time and we can keep it growing the year around without fruiting."

"We don't need that at all," suggested Representative Buchanan.

"You might," said Dr. Kellerman, "in the case of lettuce or something of that sort."

#### Varied Use of Electricity

WHILE the Government's scientists are at work in laboratories and on experimental farms, trying out the intricate problems of the use of electricity, and violet rays, a nation-wide study of other farm uses of electricity is in progress, results of experiments are being reported, and the work coordinated. The uses of electricity, already found practical, are many and their ramifications far reaching.

Electricity can be used for all sorts of work from sterilizing the dairy cow's drinking cup to plowing fields, but one of the big problems now under consideration is the extent to which it can be used economically.

R. W. Tullinger, in charge of rural engi-

neering for the Department of Agriculture, does not believe, for example, that it ever will be economically sound to build high-power transmission lines through sparsely settled regions and then run an expensive cable to a plow.

Dragging the cable over a plowed field has been shown to cause such wear and tear that this cost alone, without thought as to the cost of the electric current, becomes prohibitive. Similarly, many other things that can be done with electricity on the farm will not be done because of the excessive cost.

#### Hay When the Sun Doesn't Shine

DR. GEORGE OTIS SMITH, chief of the United States Geological Survey, upon returning from Europe a few years ago, did much to arouse interest in farm use of electricity by telling how hay was being cured abroad when the sun did not shine and how bees were made to produce more honey over there by extending their work day.

The hay in the artificial curing process was put in the barn green, and ripened with electricity. The bees were kept busy for longer hours by the use of electric lights just as are the hens. They didn't know when night ended and the day began.

These things are interesting, but they must be shown to be practical before the American farmer will adopt them. With that thought in mind, a national committee on the relation of electricity to agriculture is cooperating with state experiment stations in twenty-two states.

One experiment station will enter upon a certain line of investigation, another upon another, and so on. After results have been obtained, they will be reported and their practicability will be determined.

"Obviously," says Dr. William M. Jardine, Secretary of Agriculture, "the application of power to agriculture is of importance both to the agricultural industry and the public."

"Agriculture, because of its organization and the nature of its work, has not been enabled to utilize its power with the same degree of efficiency as have most other industries. It is possible, however, that the use of electrical power in the future may in part overcome this difficulty."

"In the application of electricity to agriculture certain problems have been encountered which will require serious consideration and extensive research before they can be overcome. The electrical industry is to be complimented upon the initiative it has shown in promoting the organization of the committee on the relation of electricity to agriculture. Seldom has there been such a constructive attempt to get the cooperation of all parties concerned in the solution of a great problem."

"This committee, with the cooperation of the representatives of the electric light and power industry, the farmer, the manufacturer, the engineer, the agricultural college and the Federal Government, should accomplish much toward the solution of the problems which are now engaging the attention of both agriculture and the electric light and power industry."

"The formation of this committee is an example of that cooperation between

groups with widely different viewpoints which is doing so much to promote general welfare. Already, under the auspices of this committee, twenty-two states have organized state committees and undertaken research and investigation in regard to the application of electricity to agriculture."

"Agriculture represents one of the largest uses of power in the United States. Studies made by the Department of Agriculture show that at the present time almost as much primary power is available on the farms of this country as is available to the manufacturing and the electric light and power industries combined. Unfortunately, agriculture is seriously handicapped in the efficient use of this power. Seasonal time-liness of doing work is a much more important factor with most agricultural operations than is the case with other industry. Moreover, the greater part of the farming industry is so organized, and most of the operations are such that the power used cannot be centralized into large units, as is the case in many other industries."

"The adoption by agriculture of electrical distribution of its power would appear to be one means of overcoming some of these difficulties if certain other difficulties connected with the distribution of electrical energy can be overcome. The relatively high cost of transmission-line construction, coupled with low load factor obtained, the mobile nature of many of the farm operations, and the lack of fundamental information on which to base the charges for current consumed have prevented the application of this type of power to farm operations. The best information available would indicate that in the United States almost 500,000 farms are at the present time equipped with some kind of electrical power service."

#### Farm Electrical Development

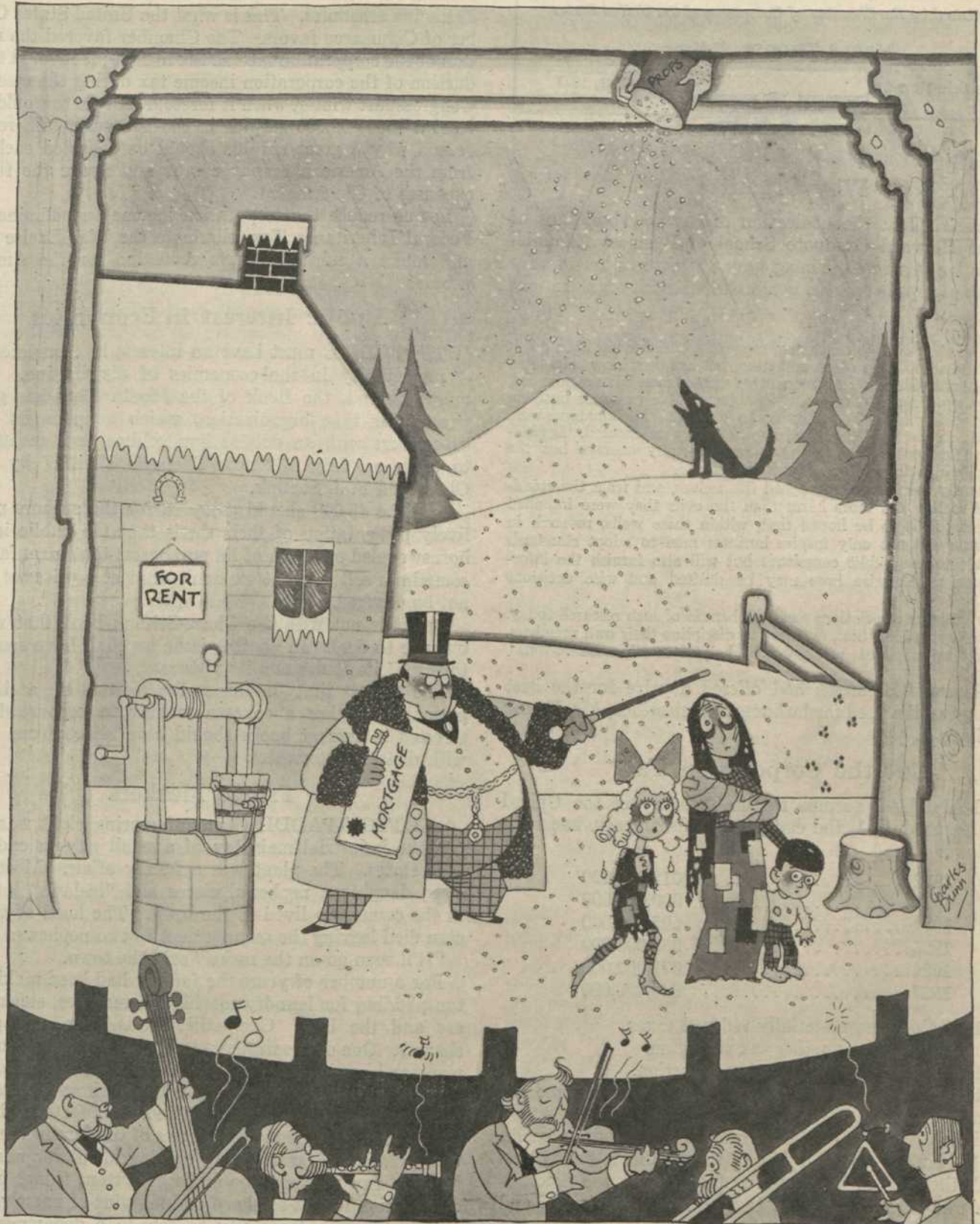
"ELECTRICITY has already made important contributions both to labor saving on the farm and to a more modern, satisfying rural life. I am confident that it is going to make further contributions of equal or greater importance. The farm offers the greatest potential opportunities open to the electrical industry."

"Electricity, in turn, offers to agriculture vast potentialities for the development of more efficient farming and a more permanent agricultural and rural system. Agriculture and the electrical industry can eventually convert these possibilities into realities by coming to a mutual understanding of difficulties, and by cooperating in sound investigation, and in careful application of results."

Investigation of the application of electricity to the chores of agriculture has already revealed that it is being used on the farm to groom animals, to grade fruit, to charge batteries, to grind bones, to wash bottles, to brood and hatch chickens, to clip cows, to churn butter, to cut green feed, to sterilize dairies, to dehydrate prunes, hops and nuts, to spray fruit, to elevate grain, to run hay hoists, to exterminate insects, as well as for cooking, for irrigation, for laundering, for the operation of milking machines or sheep shearing, for silo filling, and for wood sawing. Truly, electricity is the modern jack of all trades.



## BABBITT THROUGH THE AGES

IX—BABBITT-BAITING  
IN THE '80'S

**H**ERE'S the Babbitt of the '80's, as the melodramatist held him up to public scorn. Here's a cold stern man, Isaiah Winterbottom Babbitt, ready for the hisses of an aroused audience in the opy house. Before the days of golf, it was a popular superstition that the favorite sport of business men was foreclosing on widows and orphans—two points for a widow and one point for each orphan.

(FINIS)



# NATION'S BUSINESS

Published by the Chamber of Commerce of the United States

MERLE THORPE, Editor

Washington

August, 1927



## Why Organize?

**S**PEAKING at the dedication of the new buildings of the Harvard Graduate School of Business Administration, Owen D. Young gave his description of why business organizes and the goal at which such organizations should aim:

So far as the public is concerned, organized business has been quick to take the advantages of group action, but has been slow to assume group responsibilities. Too frequently business men have acquiesced, even if they did not participate, in objectionable practices until an outraged society compelled amateurs to interfere. The amateurs were frequently in the legislature, and unwise laws were enacted. Legislatures reached out for abuses they could readily observe but the causes of which they did not fully understand.

Frequently the laws over-reached themselves, and from the standpoint of society did more harm than the evils they were intended to correct. It is to be hoped that, within these walls, research in these fields will not only inspire business men to adopt standards acceptable to the public conscience but will also furnish the information on which wise laws may be drafted and wise decisions made.

Many business associations need the benefit of such research today. Many are doing their best, not only to discipline their own members, but to set up standards which will be helpful to all.

If NATION'S BUSINESS had offered a prize for the best statement of the need for business organizations, Mr. Young could have it.

## Cut the Corporation Tax!

**T**HE ANNUAL surplus in the Treasury of the United States on July 1, the end of each fiscal year, has been as follows:

1922.....	\$313,000,000
1923.....	309,000,000
1924.....	505,000,000
1925.....	250,000,000
1926.....	377,000,000
1927.....	635,000,000

In 1921 Congress materially reduced taxes.

In 1924 there was another tax reduction.

In 1926 there was a further tax reduction.

In the face of this, in 1926, the corporation income tax was increased from 12½ to 13½ per cent.

Still the revenues of the Government continue to increase.

In 1924 we were told that if the Soldier's Bonus was passed, there could be no tax reduction, yet the Soldier's Bonus was passed; a drastic tax reduction was made, and in 1925, we had a surplus of \$250,000,000.

In 1926 we were informed that if the Federal Estate Tax were reduced and the Capital Stock Tax eliminated, it would be necessary to increase the corporation income tax one-half of 1 per cent that year and one-half of 1 per cent in 1927. All this was done, and today we face the greatest surplus the Treasury has had since the war.

The Treasury Department officially forecasted a surplus of \$330,000,000 on July 1. It was nearly twice as great.

There can be no excuse to say that it is not possible to re-

NATION'S BUSINESS

duce the corporation income tax from 13½ per cent to 10 per cent.

It is possible also to eliminate the War Excise Taxes, the Federal Inheritance Tax, and make a substantial reduction in the tax schedules. This is what the United States Chamber of Commerce favors. The Chamber favored the reduction of the corporation income tax in 1926; it favored the reduction of the corporation income tax during the session of Congress last winter, when it foretold that there would be at least a \$500,000,000 surplus in the Treasury. There is no reason why a great surplus should be collected each year from the American taxpayer over and above the running expenses of Government.

Let us reduce the corporation income tax, eliminate the Federal Inheritance Tax, eliminate the War Excise Taxes and make a substantial tax reduction for the American people.

## Public Interest in Economics

**T**HE PUBLIC must have an interest in economics—and particularly in the economics of distribution. If the public doesn't, the Book of the Month Club has guessed wrong, for that organization, which supplies its 45,000 subscribers with an outstanding volume each month, sent to them on July 1, "Your Money's Worth," by Stuart Chase and F. J. Schlink.

And the 45,000 should enjoy it, for the authors make a lively presentation of their thesis that the public is being hornswoggled on much of its purchases; that manufacturers sometimes sell us what we don't want at a price we should not be charged.

But it is not with the Chase-Schlink book that we now purpose to deal. In another issue we shall have something to say of its faults and its virtues.

The point that interests the editor of a business periodical is that a concern seeking to keep readers interested in current books should have selected one dealing with distributive wastes.

## Fringe Markets

**A** COTTON-PADDING manufacturing plant was and is the industrial mainstay of a small city in one of the lake states. The plant was a family affair. Most of the sons, daughters, nephews, nieces and "in-laws" interested in the ownership lived in the town. The head of the concern died leaving the management to two nephews.

"It'll soon go on the rocks," said the town.

For a number of years the factory had been making cotton padding for laundry machinery, mangles, steam pressers and the like. Competition was keen and growing sharper. One of the nephews took over the factory management and production end of the business, the other, sales.

After a number of trips over his territory the salesman discovered that if the plant confined its efforts to the making of its staple line the prophecies of the family were likely to be realized. So he began looking about for new possibilities—new things to be made of cotton; things in which competition wasn't so sharp and margins so narrow.

One day in a large city he saw in a department store window, a display of ironing board pads for the housewife. He was interested. He went into the store, interviewed the head of the department selling these pads and learned there was a good market for them, and the present source of supply a few eastern cotton mills that made them as a side line. Here was a "fringe market."

The salesman and his managing cousin put their heads together and the result was an experiment in individual ironing pads. To quote the salesman, "they went over with a



bang." Proof is the fact that in two years this little factory was doing a business of \$175,000 in individual ironing pads and had been enlarged to care for this volume of profitable business. This fringe market enabled the factory to stiffen up its sales offensive in its staple, the highly competitive laundry padding business.

A recent addition to this little factory's line is the manufacture of pads for moving vans. This possibility, too, was the discovery of the alert salesman cousin and partner.

As an old fashioned editor of the robust and rollicking days of the middle west used to say "a word to the wise is much better than a swift kick in the pants."

## A Herring Across the Trail

"JUST what is our government Merchant Marine policy?"

In "Bureaucracy Puts Out to Sea," elsewhere in this issue, this question is asked. In the Merchant Marine Act of 1920, Congress laid down a definite policy—directing the Shipping Board as soon as practicable to dispose of the government's service lines and ships to private operators.

But recently some of our government shipping officials have indicated different views.

Not long ago, the president of the Fleet Corporation suggested an ambitious program of new ship construction and continuation of government in the shipping business.

Then came the Annual Meeting of the Chamber of Commerce of the United States and Chairman O'Connor's avowal that the Shipping Board "was not in the business to stay in business."

One hears that this avowal may have been prompted by the White House. In any event, under date of July 12, the Shipping Board announces that it has directed the Fleet Corporation to draw tentative plans for the sale of four Trans-Atlantic cargo lines and to give the Board a report on operating conditions of the lines. The lines involved operate 36 ships, plying between North Atlantic ports, and Scandinavian and Baltic ports, French ports, Continental European ports and West African ports. On the same day, the Board postponed until October advertising three Pacific Coast cargo lines for sale, "pending a report from the Fleet Corporation on the general Trans-Pacific rate situation."

It may be that this action of the Board directing the Fleet Corporation to get ready to sell these lines is a renunciation of the government ownership policy. If so, it is time indeed to sing hosannas.

But it may be a herring dragged across the trail. Future events will determine. The acid test will come this fall when Congress meets, and it is discovered just what sort of merchant marine legislation the Shipping Board and Fleet Corporation sponsor.

Last session a Senate bill authorizing new ship construction and practically emasculating the ship sales provisions of the Act of 1920, had the active support of the Shipping Board.

## A Necessary Business Expense

SOMETIME ago in this magazine the idea was set forth that a trade association or a chamber of commerce was not a thing to be "supported," in the sense in which charities are supported; that, in effect, a commercial organization, if it were worthy of the name, gives value received for ever dollar it draws in dues from its membership. If it doesn't, then it is a useless organization.

Coal Age News, commenting on this thought, says:

The trouble with a lot of us is that we like to give ourselves that pleasurable glow which comes from "contributing" to some worthy cause instead of being honest with ourselves and admitting that the

only reason we kick in on membership to this organization and that is because we expect to get some personal benefit out of it.

If more of us would view our trade associations in the light of personal service the task of the officers would be a whole lot easier. In the first place, we wouldn't be looking for something for nothing.

The Organization Service Bureau of the National Chamber has the same idea when it lays down the principle that dues to commercial organizations are part of the business man's current and proper expenses, not part of his gifts for worthy objects.

## The Professor Comes Into His Own

THE BUSINESS man has in the past been inclined to look upon the college professor as living in another world, as a "theorist," well intentioned and in his place, useful, but after all, one who could not stand the hard knocks of actual business, whose theories would fail if put to the test.

But now comes one of the leading life insurance companies, The Mutual of New York, to offer its presidency to a one-time professor, superintendent of schools and college president.

To be sure, the "professor" in this case has long ceased to "professor" for a living, and has held high posts in government and business.

The Professor in this case is David Franklin Houston, who has been in turn Secretary of Agriculture, Secretary of the Treasury and president of Bell Telephone Securities.

But before he moved into government, and from government into business, what was Mr. Houston's career?

Tutor in ancient languages, superintendent of schools, professor of political science and then, one after another, three colleges called him to the presidency.

There surely is a professor who has climbed high in business.

## Driving Business Away

LAST month on these pages we called attention to the Shipping Board's attitude towards arbitration as evidenced in a recent case at Galveston. This was its point of view:

"The Board is not fundamentally opposed to the policy of arbitration, but cannot agree in advance to the compulsory arbitration of questions as they may arise in the future."

In other words, the Shipping Board is running counter to the best business principles. What's the result? Here's a paragraph from a leading Galveston business man:

I may also inform you that some grain bookings were in the market yesterday and today, with the distinct proviso that freight bookings must contain arbitration clauses. These bookings were offered to the Blank Steamship Company, which did not have authority from the Shipping Board to accept arbitration clauses and consequently the bookings went to foreign steamship agents.

American exporters very naturally desire to build up American shipping and therefore keenly regret the decision by the Shipping Board; but shippers naturally, as a matter of self-interest, will patronize those steamship lines that agree to arbitration.

## The Coming Generation and Advertising

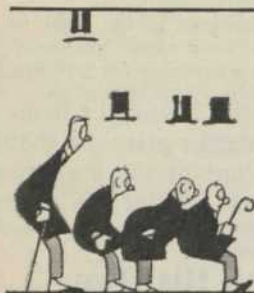
"POP," said an editor's son, "do you believe what the cigarette advertisements say?"

"I guess so, why?" was the cautious answer.

"Well, I don't. Here's one that says the cigarette is sold the world over and another one says if choicer tobacco could be found they'd use it. I think they're just advertising."

Is a younger generation growing up that will be cynical in its attitude towards advertising? Will writers of advertising copy twenty years from now have to find new lines of attack?





# AUSTRALIA Takes a Look at Us

By RAYMOND C. WILLOUGHBY

REPORTS printed in the *Sun* of Sydney make it clear that Australia's industrial missionaries to this country took no great shine to the push and patter of our mass production methods. They came to see how we do rather than what we do, the correspondent of the *Sun* bluntly explains, and the misunderstanding of their intent put them in a way of concluding that where admiration is expected it is folly to ask questions.

## America, Land of Megalomania

TO THEM we are "comrades in boost." Whatever more flattering appraisal might have been, it is certain that the delegates soon penetrated our open and childlike pride. Early in their sightseeing they discovered that America is a nation of "spruikers"—a land of puffers, the home of boosters, a country given over to meeting, greeting and eating. Almost undone with entertainment and swept into a rigorous round of visits, they looked and listened, but they could not stop to investigate.

Everywhere they went on their coast-to-coast tour, the spirit of our megalomania was upon them. They saw the world's "biggest" metal-fitting works, the "greatest" electrical appliance factory, the "largest" stockyards, the "most expensive" automobile proving grounds, the "biggest" flour mill, one of the "highest priced" hotels, our "mightiest" waterfall, and they talked with the director of the world's "largest" vocational school. Here it is, their guides seemed to say, that records are

Cartoons by Charles Forbell

broken as frequently as necks, for we lead in casualties, too. Other climes may provide music with their meals but ours is a land, the missionaries found, where the cud of statistical fact is chewed with food.

From the deck of their *Niagara* these Australian Jasons hopefully set out to assay our golden industrial fleece. In Seattle, during their first day in the United States, they found "they were in for a rush job, rivaling any royal tour." Wherever they went, they were met at the railway stations by "battalions of members of

ness man B, just as anxiously as if he did not know.

"Getting on for 44,000," says A, quite modestly.

"That must be about a record," prompts B.

"Yes, sir," from A. "The highest output in one year of this particular product from any plant in the United States."

"Which means the world," adds B.

And at the next factory, which is B's, A does the same for him.

This boosting may be good for business in general, the correspondent thinks, for the individual business man "knows that whatever helps one industry in his town helps all."

In Spokane he was told that "any day at noon there would be two thousand business men lunching in groups and committees in the one big hotel, delivering addresses to each other and discussing office and factory problems." All these years it has been England's proud boast that the battle of Waterloo was first won on her cricket fields. Now Americans are put in a way of bragging that their great industrial skirmishes are decided at the luncheon tables.

Of one of his western exposures to the doctrine of mutual admiration, the correspondent says,

My neighbor at table turned to me and asked, "Don't you think we boost ourselves too much?"

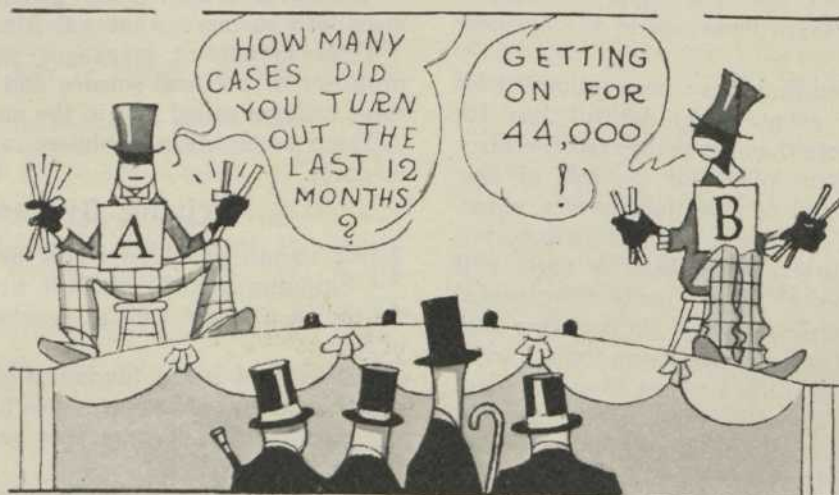
I said I did.

"How do you like our little hotel," was the next question.

"It is a nice little hotel," I replied.

"Yes," said my neighbor, "you won't find a better hotel between here and New York."

Something of this method, of this habit, and of this pride, Australians should acquire, he believes, "but please, not all of it," for "surely a city lives upon more than pride in its factory output." Seeing us at work all the time perhaps made him doubtful of our culture, for he wrote:



"Boosters who play up to each other like patter comedians"

the local chamber of commerce." The correspondent felt sure that

any one of these men can, and at the slightest provocation will, reel off yards of statistics about the industries of his town. There is at least one world's record to every yard.

They accompany us in crowds when we visit the local factories, and we are learning to hide our smiles when they play up to each other like patter comedians.

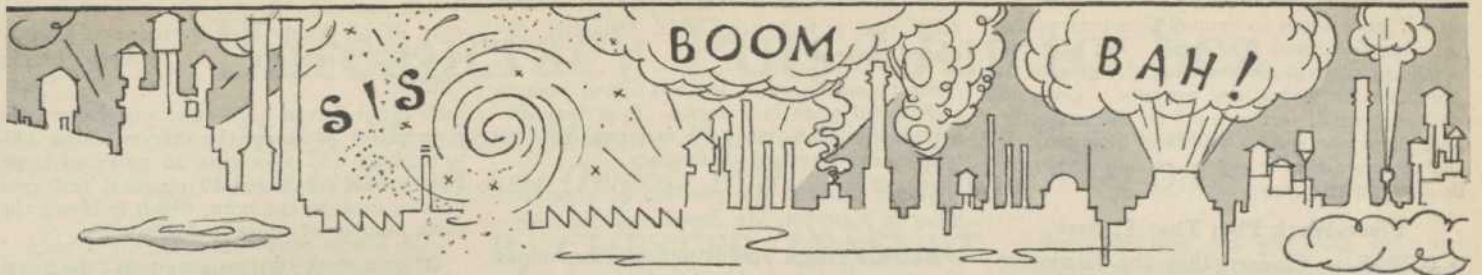
To quote a typical dialogue, as the correspondent gives it:

"This," says A, the manager of the plant we happen to be visiting, "is the packing department."

"How many cases did you turn out in the last twelve months?" asks local busi-







If these industrial cities of the north-west have such things as art galleries, museums, public libraries, theaters, no one has apparently considered them of sufficient public interest to point them out to us.

Two days of high-pressure sight-seeing put the delegates in a mood for "striking" against the many visits arranged to fill their time when they most wanted to make individual investigations. With all the rushing, the correspondent was able to take our industrial measure, as reported in this paragraph:

My impression of this side of America is that labor is hardworking, because it can be easily and ruthlessly replaced. The unions are exceedingly moderate, but have very little power. Efficiency, plant and labor cost much the same as in Australia, but the biggest difference is in the cheap power.

#### Labor Unions Backward

FROM Madison, Wisconsin, he sent word that "America is backward compared with Australia's labor organization, due to unrestricted immigration." Dr. John R. Commons, professor of economics in Wisconsin University, told him, he reports, that—

the mixture of races and the new immigration laws constitute the greatest industrial problem ever faced by America. The workers' only hope is in organization.

Here we have a minimum number of strikes, but I do not know that that is a good thing. I would rather see the workers more aggressive.

The weakness and cowardice of American workers supplies a truer explanation of the absence of strikes than the methods of administration. The states with the fewest strikes have the lowest wages.

The only improvements Labor has won here have been through strikes and organization. The reason big employers are now offering high wages and good conditions is that they fear the growing organization of Labor, and think that the way to beat the unions is to "beat them to it."

I am strongly opposed to compulsory arbitration in America, because Labor is the under dog and would not get a fair deal. . . .

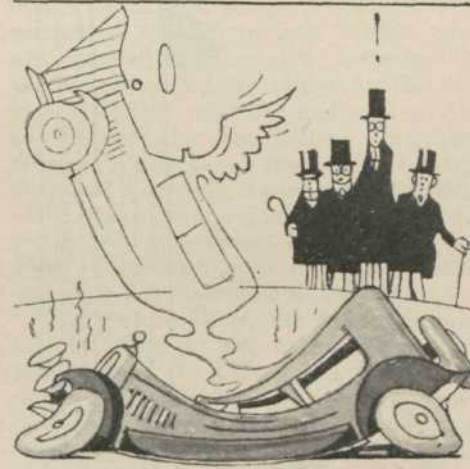
I am opposed to a fixed minimum wage, because America at present is not likely to fix a fair minimum.

In Chicago the delegates came upon the secret of our national solvency—"custo-

mers are manufactured the same as bathtubs, because America must continue multiplying her wants to keep pace with manufacture." To the correspondent, Prof. Richard Cooley, "director of the largest vocational school in America," explained that—

America's greatest problem is insolvency, which comes creeping on a nation like tuberculosis. We dare not allow the standard of living to fall, as it would cause a manufacturing crash. . . .

You come to America to seek a solution of your problems, but find here more and worse problems. Our talk of ideals is far



General Motor's proving tests were a revelation

ahead of our general methods and practices. You have a better opportunity than we to put the highest ideals of industry and social services into practice.

On three guineas a day for expenses, the delegates did not think it worth while to hold their reservations made for them at the Blackstone, where "a single room costs two pounds a day, the simplest breakfast 10 shillings, and lunch 18 shillings." None of the members dared stay for dinner, the report reads.

Employers do not get the value from labor in Australia that they do from labor in America, the delegates learned at the packing plant of Swift & Company. On inquiring about the company's experience in Australia, the missionaries were told that—

#### "Do cities live on factory output alone?"

the investment was proportionately so small that it did not matter, but if the company attempted to carry on a big business, the position would be very serious, because it did not get value for the amount paid for labor. That did not mean that labor got more than it was entitled to, but there was something wrong. Employers did not get the same value they got in America.

At the plant of the Crane Company there was opportunity to study and observe the practical application of piece work and mass production systems. In its shops—

unskilled workmen average 5 pounds for a 48-hour week, and skilled workmen 10 pounds, but only 6 per cent are classed as skilled. There are only eight apprentices and labor is beginning to be a problem.

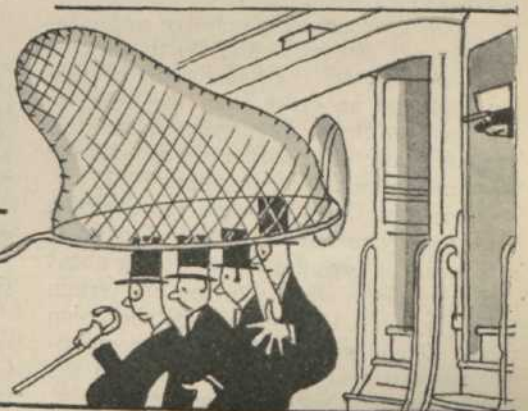
Since the introduction of the immigration restrictions, the company is getting Mexicans classed as white, but it anticipates that it will soon be forced to employ negroes. Men doing mechanical repetition work all their lives resent any change. They must follow the pace of the machines, and are discharged if they cannot. The mentality of the repetition workers is not high, and none of the executives is recruited from that class.

I asked the superintendent if the men resented speeding. He answered that most of them were paying for cars, furniture, and radio sets by instalments, and were anxious to earn extra money.

While the success of politicians has been thought to rest, at times, on ability to gauge the volume of our floating population, no reverence to their oracular powers was done by Barnard Cohen, "director of the Government's labor department in Chicago." "Nobody in this country," he assured the mission's correspondent, "can honestly come to a conclusion how many unemployed there are, or how many were floating population." Of the future of trade unions, he said:

I believe that the unions will prosper through the new immigration laws, and I

#### "Almost undone by forceful entertainment"





think America will ultimately become unionized if labor keeps to Samuel Gompers' policy of education, and not force. Big corporations are successfully resisting the growth of unionism by giving the workers a generous deal, but small factories are in the majority, and there the unions will find strength. If the unions are ever strong enough, they will do away with piece work.

#### Piece-Work Plan That Pleases

IT WAS in Chicago that the missionaries also discovered the "workers' paradise." When they visited the plant of the Western Electric Company they agreed that "all the evils hitherto seen in regard to piece work and machine-driven workers are here eliminated," and they "were convinced that if all employers could be trusted to conduct it in the same manner, the hostility of the workers to the idea of piece work would soon break down." Never in the fifty-four years of the company's life has there been a strike or a lockout, the delegates were told. The fact that the nine thousand industrious Eves in this paradise wore silk stockings and pretty clothes was thought worthy of note. Of the management and company's relations with its employees, the correspondent wrote:

The management is always striving to install automatic machines. We saw girls attending to as many as twelve machines each, and I would class their work as light and pleasant. I saw no sign of haste, pressure or over-speed in any part of the plant. The machines are placed to ensure the comfort of the employees. All danger from belting is eliminated, because each machine is driven by its own motor. . . .

The management provides free sick benefit, insurance and medical attention and runs, at cost price, stores, clubs, an athletic ground, an evening school, and a building society, under which 50 per cent of the married employees have built their own homes, none of which have cost less than 2,000 pounds. The company even lends money to its employees who are in financial difficulties, charges no interest and asks for no security.

Sixty per cent of the employees hold company stock purchased at below the market price and on easy terms. The employees own, approximately, one-third of the total shares.

This pleasant picture of our industrial system was not to endure without a touch of contrast. After reading the report of a night session with "four of the most prominent labor leaders in Chicago—Messrs. John Fitzpatrick, president, and Victor Orlander, secretary, of the Federation of Labor, and Messrs. Bernard Jewell, president, and John Burns, secretary, of the Railway Employees Union"—the *Sun's* headline writer was inclined to ask "Serpents in Chicago Paradise?"

"Shop councils are absolutely under the employers' control," Mr. Fitzpatrick is quoted as saying. "Whatever the councils do comes as an order from the office, or the men are fired. Employers deliberately employ many diversified races in order to prevent a combination of workers."

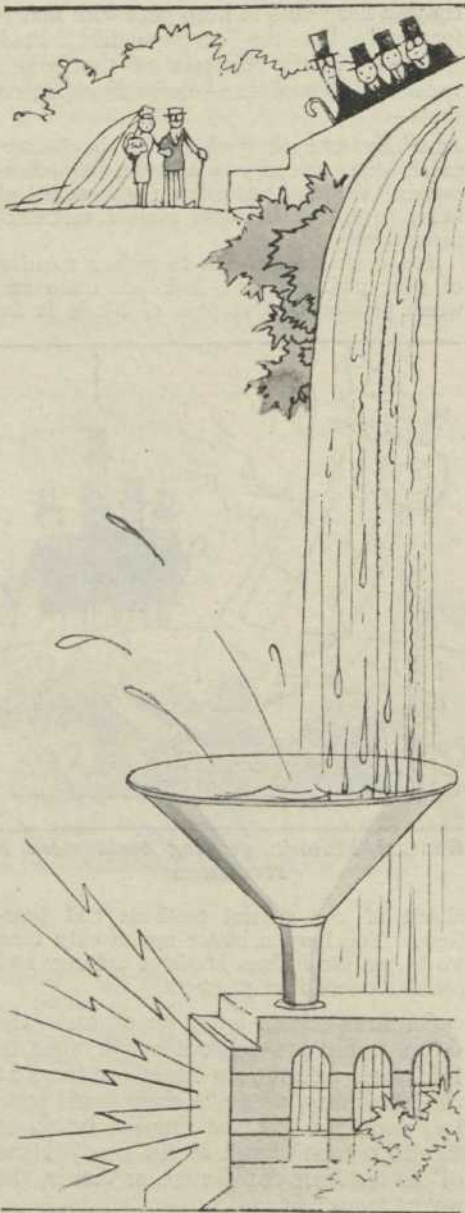
From Mr. Orlander came the assertion that employers have detectives "to go in and break up organization and bring about strikes at times when the men are certain to be beaten. They even steal the union funds. There must be 200,000 factory operatives scattered over the country in the employment of these secret services."

Asked whether 6 pounds a week (about \$30) was a fair wage, Mr. Orlander declared that—

Six pounds a week for a married man is a shameful wage in America. It is very difficult for a man, his wife, and one child to maintain a standard of decency.

When defining the position of organized labor in America, Mr. Jewell said that—

it stands for high production and encourages the use of new tools, including automatic machines. We seek the highest standard of living; therefore we encourage the highest production and efficiency. We object to the



At Niagara the delegates learned one secret of our low production costs

employers' method of fixing piece rates on the investigations of efficiency engineers. Our method is to fix a rate on the average of a dozen men doing a job over a period in which they do not know they are being "clocked."

All four said that American labor was opposed to compulsory arbitration. They felt, they said, that "labor must retain the right to strike."

Something more of our large-scale methodism they got at the General Motors Corporation's proving grounds, near Detroit—a 4-mile concrete, banked track,

which cost 400,000 pounds, and where 150 cars of all kinds are driven continuously until they are worn out." Around that course

each car is driven 1,250 miles every day over a period of 22 hours, the drivers taking 300-mile shifts and averaging 55 miles an hour. Each car is submitted to identical test conditions, even to the horn, which is blown the same number of times in 25,000 miles.

After a week's investigation in "the heart of American mass production of automobiles," the missionaries found "it difficult to get at the truth of the condition of the workers under mass production," for the "managements are disinclined to reveal the minimum wage schedules and answer, when pressed, 'We pay whatever is the market price,' and 'the workers, who are not organized and have no representatives, could tell me anything but their own wages. These showed discrepancies in the evidence which the mission received from the managements.'"

Niagara's thunderous roar carried to the delegates one secret of our cheap production, for—

cheap electricity, here developed in millions of horsepower, plus the energy and courage of private enterprise in exploiting Nature's great gift, is one of the greatest factors in America's industrial progress.

They went through a plant where—

seven men were leisurely employed in supplying enough electric power to run everything in a city of two million people. Six million horsepower is stampeding over the falls. This one plant is harnessing 500,000 horsepower and sending it to 142 cities in New York State.

and they learned that "power for industry costs one-tenth of a penny a kilowatt, while the average price throughout America is less than a penny."

#### Seeking Australian Publicity

WHEN the delegates arrived in New York they were not all of one mind on the policy for the rest of the tour—they were "leaderless and at sixes and sevens," as the correspondent put it. At the instance of a minority, a resolution passed to exclude representatives of the Australian press from meetings at which questions of plant operation and industrial relations were discussed by the delegates and employers or employees. The *Sun's* correspondent believed that "as a matter of fact, American employers are very glad of all the publicity possible," and that many with Australian interests have treated the mission as an opportunity to obtain Australian publicity."

It was his belief that some of the employees' representatives were fearful "lest the press dispatches should anticipate their report." This note of discord did not escape the American press. The *New York World* said,

The Australian Mission, which is investigating industrial conditions, is, appropriately, having its own industrial problem. This is nothing less than a lockout, and has transplanted to New York a miniature picture of an Australian industrial situation. The newspaper men have been locked out largely by the votes of labor leaders, who have, no doubt, condemned such a practice in the past.



# Bureaucracy Puts Out to Sea

*II—A Merchant Marine Cannot Exist Half Government and Half Privately Owned. It Must Be All One or the Other*

EDITOR'S FOREWORD.—Last month Mr. Leasure called attention to a change of front on the part of some of our government shipping officials and national legislators in relation to the merchant marine—an avowal, in short, of the principle of permanent government ownership and operation.

This article shows how the menace of government ownership threatens to undo all that has been accomplished toward establishing a privately owned and operated marine.

\* \* \*

**W**HAT HAVE we been doing since the Merchant Marine Act of 1920 declared we should have such a marine "to carry the greater part of our commerce" and adequate to war emergency needs?

Here's the record:

In 1921 American ships carried 49 per cent of our foreign business. In 1922 they lost a point, carrying but 48 per cent. In 1924, 41 per cent; in 1925, 37 per cent; and in 1926, 25 per cent. An interesting commentary on government ships as business getters—or, rather, business holders.

## A Loss of Two Dollars a Ton

**L**AST fiscal year, 1926, Shipping Board ships carried 6,981,547 tons of a total of 52,981,547 tons of our foreign commerce. This at a loss of about two dollars a ton.

Just a few more figures. Figures may be dull, but these ought to interest the federal taxpayer, for they touch his pocket-book nerve.

The total ship account now carried on Uncle Sam's books, including the accumulated losses of government operation less credits to the account by ship sales, is upward of three and a half billions. Moreover, appropriations of public money by Congress since July, 1922—operating losses alone—including the appropriation for next year, total \$233,400,000.

All the overseas carrying done by or for the Shipping Board last year was at a loss of \$16,668,957—operating loss alone. Add \$3,843,781 for upkeep and caretaking of ships not in operation. That brings last year's (1926) shipping loss to some twenty millions.

Figures showing the performances of privately owned American lines are not available. But the private lines have no loss-paying arrangements with the federal treasury; and, since they aren't in the hands of the sheriff, it must be a reasonably safe assumption that they got along a bit better than the government boats.

Just what is our status on the seas?

On April 1, this year, some 624 ships in overseas trade were flying the American ensign. This takes no account of Great Lakes, coastwise and intercoastal shipping;

## By CHESTER LEASURE

Cartoon by Nelson Harding

that is outside the overseas picture. This trade is prescribed by law to American ships and they are doing nicely, thanks. They have no foreign-flag competition.

These overseas services maintain regular-schedule freight, mail and passenger service on established trade routes. They sail to England, to continental Europe, to the Mediterranean ports, to the Orient, to Africa, to South America, to the West Indies and to Australia and the South Seas. Some of these overseas services—nine of them—are operated by owners who bought ships and services from the Government, others by private shipping concerns who established their own lines. Other lines are operated by managing operators for the Fleet Corporation; and yet another service, a de luxe passenger and mail service to Europe—the steamships *Leviathan*, *George Washington*, *President Harding*, *President Roosevelt*, *America* and *Republic*—the United States Line, is operated directly as a government enterprise by the Fleet Corporation at a handsome annual operating loss—last year \$1,496,000.

This year, however, the Fleet Corporation estimates it will reduce voyage expenditures of the United States Line to a degree that will show an operating profit of between \$300,000 and \$500,000. Such an estimate was made public in Washington newspapers June 20. The announcement of these estimated profits does not explain that it is an operating profit—that is to say, an excess of voyage income over voyage expenditures, taking no account of interest on the investment in ships, nor of the interest the taxpayer must pay on the bonds that were sold to get the money to put into ships. It is not profit, therefore, in the sense that the business man must compute his net gain.

## Contradictory Publicity Items

**T**HE SAME newspaper that carries this estimate of voyage operating profit for the United States Line says:

"There is no longer any intention to dispose of the *Leviathan* and other ships in the immediate future. Instead, the Board is considering reconditioning two more vessels."

This language, published June 20, seems at variance with that of the chairman of the Shipping Board, T. V. O'Connor, who, on May 4, before the Transportation Group at the Annual Meeting of the Chamber of Commerce of the United States said:

"The Shipping Board is not in the business to stay in government operation. We are absolutely opposed to it. We want to get out of business."

It is at variance, as well, with the Mer-

chant Marine Act of 1920, in which Congress directed the Shipping Board to sell its ships "as soon as practicable" and to keep private ownership and operation of ships always in view as the primary end to be obtained.

In view of these divergent statements, is it impertinent to ask: "Just what is our government merchant-marine policy, and which spokesman speaks with authority?"

## How We Compare with John Bull

**B**UT to get back to our status on the seas:

Six hundred and more ships flying the American flag, carrying it into the far reaches of the overseas trade! But wait before you throw out your chest in pride. Our chief foreign shipping competitor, England, has no less than sixty established shipping concerns sailing craft under the crosses of Saint George and Saint Andrew. Two of these British shipping concerns sail more ships than the entire American fleet.

Yet definite progress has been made toward the objective of Congress when it said the American merchant marine should "ultimately be owned and operated privately." In addition to the three hundred and more ships now operated for the Shipping Board and Fleet Corporation, private owners—the Munsons, the Dollars, the Graces, the McCormicks, the Matsons, the United Fruit and others—maintain overseas shipping services, 23 of them, under the American flag.

## Private Owners Are Capable

**T**HESE services, says I. A. Campbell, counsel for the American Steamship Owners' Association, "are in the hands of experienced, energetic American shipping men, endowed with the pioneer spirit of adventure, enterprise and determination."

"Can they hold on and win?"

"Yes, if they have the support and backing of the Government and American business. But if they do not, they will fail. And about the surest way to produce failure will be to have the Government enter upon a new and widespread plan of new construction and government operation, such as is in the wind today."

These private lines are trade-building services which American enterprise is maintaining to serve the interests of American farmers, manufacturers, exporters and importers.

It is the custom of those who would perpetuate government ownership to foster the belief that the only American lines operating in the foreign trade are those maintained by the Shipping Board. This is far from true. On the contrary, the most important trade-building lines are those already in private hands. This, to be sure, is not by way of saying the routes operated by the Shipping Board are not important. They are—most of them—and they should





be put upon a basis of private ownership and operation, the only basis on which they can become a permanent success.

What has been the experience, elsewhere, of government ventures into the marine shipping business?

Whenever and wherever tried it has failed.

Brazil has operated ships for years—always at a loss. On occasions mismanagement, owing to political influence, has resulted in a national scandal.

Russia, before the war, controlled several lines and operated them always at a loss. Under Soviet management govern-

ment operation is likewise an abject failure.

Italy formerly operated lines to Sardinia and Sicily at a loss.

Roumania owned most of the tonnage under that country's flag and operated it at a loss.

Sweden, Western Australia and Japan each owned ships employed in coastwise or in nearby foreign service and operated them at a loss.

Australia has had a worse experience with its government-owned fleet than has Canada.

And Canada's experience has been any-

thing but successful, even though our government-ownership advocates cite Canada's experience and that of the Panama Railroad Steamship Line as evidences of Government success with merchant ships.

#### Experience of Canada

HERE'S the Canadian story: The Canadian Government owns 45 vessels. They have lost money every year they have been operated. The operating deficit in 1925 was \$857,000. Owing to the high rates largely resulting from the British coal strike, necessitating a large movement of



American coal to England, the loss was reduced to some \$90,000 in 1926. It is this loss reduction due to Britain's national calamity and not at all to the excellence of government ship operation, to which government-ownership advocates point as an evidence of successful operation.

And here's the Panama story as told by a shipping expert.

#### Example of the Panama Line

**D**URING the construction of the Canal and immediately after the Armistice, when shipping everywhere made money and the Panama Railroad Steamship Line had a monopoly of carrying to and from the Canal, the line prospered. But since the depression in the shipping business began the line has lost money. In 1926 the loss was over \$285,000. How much greater it would appear to be under bookkeeping methods of private operators is conjectural. But government-ownership advocates urge that if regular rates had been charged government shipments, and employees of the Canal had been charged regular passenger rates, the deficit would have been converted into a profit of nearly \$220,000.

#### Unfair Competition?

**I**T APPEARS that freight is carried for the Government at twenty-five per cent below the commercial rates, while employees are given a passenger rate twenty-five to eighty per cent below the regular rate. The reasons for making this reduction are that the railroad earnings are sufficient to offset the steamship losses; that the annual loss is less than the Canal departments and employees would be charged if regular rates were charged; that private lines are compelled to quote these reduced rates which results in a saving for the Government.

In an effort to obtain return cargoes, the line has developed a trans-shipment trade, originating in Central and South America, and has extended its operations to the West Indies. This competition with private lines is defended on the ground that "if we hadn't that traffic, we would operate at such a heavy loss Congress wouldn't allow us to stay in business."

There are privately owned lines that could do all the carrying now performed by the Panama Steamship Line, but they are barred because the Government has reduced rates to a point where it not only loses hundreds of thousands annually, but practically puts the private lines out of Panama business.

#### Government Bookkeeping

**Y**ET THIS is cited as a notable example of the success of government ownership!

Is it upon such achievements that General Dalton, president of the Fleet Corporation, proposes his program of new ship construction and the purchase of terminals and docks to continue the Government indefinitely in the shipping business? Advocates of this plan say that if Congress will authorize the necessary millions to pay operating losses and to build new ships it "can establish an economical and efficient government-owned and operated merchant marine."

A privately owned American flag ship,

having no loss-paying arrangements with the federal treasury, sails under certain definite handicaps.

It's open competition on the seas. Rates are fixed by law of supply and demand. A tramp steamer, hunting cargo, makes the rate. It is obvious that American privately owned ships cannot compete with these, but the studies of the Federal Department of Commerce show that this ultimate factor in shipping rates, the tramp steamer, is yielding place to the established line, because of the growing demand for faster and more regular ocean freight service.

Here other elements enter into the equation, and in many cases American private ship owners find they can compete. In others, they have not yet sufficiently established themselves to assure permanence of operation in the face of world competition.

A measure of the disadvantage appears when comparison is made between the original investment and operating costs of American and foreign vessels.

The National Merchant Marine Conference, held in Washington under the auspices of the Chamber of Commerce of the United States, found that American-built vessels cost, on an average, 25 per cent more than the same type of vessels cost in a British yard. Moreover, in addition to this 25-per-cent-investment handicap, the cost of running the American ship is higher. In the first place, shore expenses, such as terminal facilities, and agencies, are more expensive. Wages and subsistence costs are higher on American ships.

As to the difference in wages on American and foreign ships, many examples might be cited. The payrolls of a company operating ships under both the American and British flags, for example, disclose that, in the case of two vessels of the same type and substantially the same tonnage, the American ship carrying a crew of 40 men had a monthly wage charge of \$2,917.50 and the British ship carrying 41 men a charge of \$2,162.69—\$754.81, or nearly \$10,000 annual, additional expense for the American ship in wages alone.

Such, in brief, are the handicaps of the American flag ship.

#### Give the Shipper Equal Footing

**T**HE AMERICAN manufacturer who competes with foreign manufacturers has his handicaps of high production costs due to higher American wage scales and higher living standards equalized by tariffs. If we are to develop an American merchant marine, some such equalization must be provided for the American ship owner.

There are just three answers to this ship question.

Forget our national defense and take the American flag off the trade routes and let our foreign trade take its chances, catch as catch can, with foreign flag shipping.

Or, keep the flag on the seas at the mast-heads of a government-owned and operated fleet.

Or, do the things necessary to make it possible for private enterprise to own and operate a marine with an even break from scratch.

Time was when the Yankee merchant marine was second to none. From the

twenties to the early sixties, American flag ships carried 77.3 per cent of our foreign commerce to the world's ports. But after the Civil War men's thoughts turned from seas and ships to the vast frontiers of inland America, and the seventies and eighties went west and grew up with the country. The "prairie schooner" eclipsed the clipper ship—and foreign flag shipping got our ocean carrying business.

Then came the day of reckoning, when we paid for this neglect. Bitter and costly was our experience in the early days of the World War. Overseas shipping was chaotic. Grain rates, for example, from New York to Rotterdam soared 900 per cent. Rates on flour went up 500 per cent and substantially the same increase prevailed at all our ports.

Singularly enough, the sharpest advances were those affecting the produce of the American farmer. The mid-western farmer, plowing his prairie far from seas and ships, may cherish the delusion that ships and seas mean nothing in his scheme of things; yet the embargo of high rates and scant space hits him a solar plexus blow in times of emergency, when our foreign trade depends on foreign shipping. Make no mistake about it, the ship problem is a factor in the farm problem.

#### To Prove We Should Own Ships

**S**URELY American business has not forgotten those days! Evidences of our vassalage to foreign ships were on every hand. Ports were glutted. Piers and warehouses and freight terminals were burdened to capacity by an immovable commerce. Slowly and surely the palsy of this embargo crept back into the hinterland. The only commodities that moved were those the war nations chose to buy and would take from the railways at tidewater. All else had to wait.

New markets clamored for our goods and the opportunity was ours to entrench ourselves in profitable relations with new customers, but we hadn't ships to get to them. Factories stood idle. This one could not get tin from England. That one could not get silk from China. Why? Because the foreign shipping upon which we depended, both outbound and inbound, was serving the needs of war. And for such products as were moved, the Secretary of the Treasury estimated we paid in one year almost a half billion excess ocean freight toll. This takes into no account losses to farmers, manufacturers and traders whose products lay at tidewater waiting and waiting for ships.

#### What Shall We Do?

**N**OW THAT we would repair our half-century of neglect of ships, will Congress, by going in for another costly experiment in government ownership, confess that the nation to which the world looks for industrial leadership cannot find a solution for its ship problem in keeping with traditional American policy to encourage that private initiative by which the nation has achieved its preeminence?

And, if we're to go in for government ownership of ships as a permanent thing, what next? Railroads, public utilities, power projects, mines, forests—or just what?



# The Boss of the Biggest Job at Work

A VERY capable editor said to me, "What is President Coolidge's daily life? By that I mean, What time does he get up? What does he do at his office? How does he do his work? What is his recreation?"

I told him briefly.

"That is extremely interesting," he exclaimed. "Write it, please; just as you have told it to me."

So here it is.

I suppose President Coolidge gets more joy out of his daily work than any other man who has been President of the United States. Work is fun for him.

## A Serious Man's Big Job

IT IS serious work, of course, this business of conducting the biggest Government in the world with its new prestige and financial affluence taking it almost daily into new avenues of foreign affairs.

But he has been doing political executive work for more than twenty years, and he

By JOHN T. LAMBERT

Editor, Washington Bureau Universal Service

Drawings by E. H. Suydam

brought to the office an experience with it rarely equalled in this country. As a city councilman, mayor of a city, legislator, president of a State Senate, lieutenant-governor and governor he gained for himself a knowledge of executive work that has stood him in good stead while President of the United States. It is, in fact, the sort of chore he has been doing all his life. Coupled with that experience, he has a philosophical, patient mind which enables him to measure quite accurately the limit of his endurance and which teaches him not to exhaust himself by trying to do the work of a year in a single day.

I have known him to stretch out upon the spacious lounge in the executive of-

fice in the White House and take a comfortable nap of two hours while the subordinate officialdom of Washington was worrying and wailing over the troublous Mexican situation.

When he shuts his desk at night, the day's work is out of the way; at least that much of it that he could have done today. The work of tomorrow he will take up tomorrow. This patient attitude is best illustrated by an observation he once made to his intimate personal friend, Mr. Frank W. Stearns. He had been told by Mr. Stearns that there was much active criticism of a new policy just determined by him.

"I expected there would be," the President replied calmly. "But in a year from now, its sternest critics will be its warmest advocates."

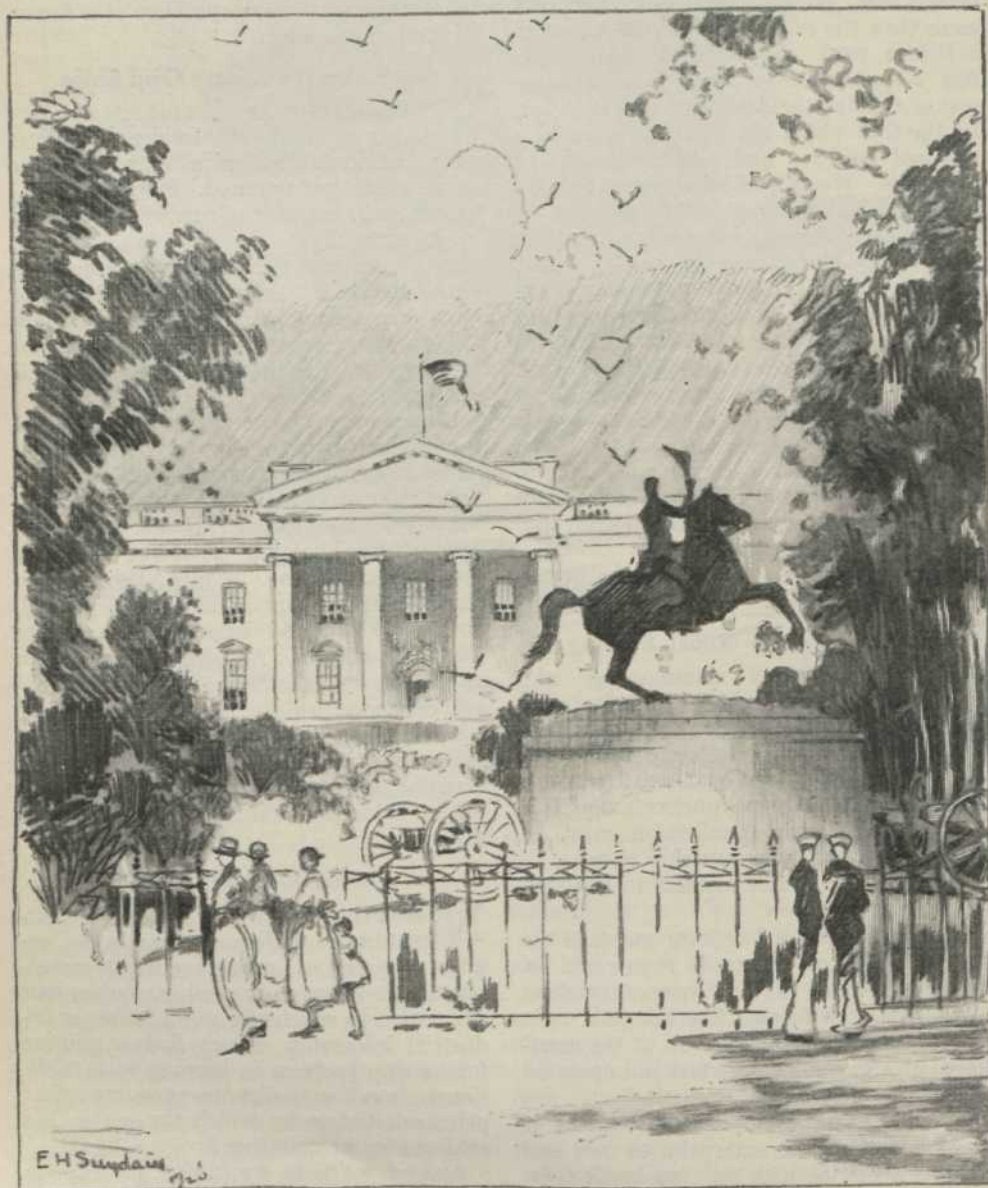
## At His Desk Many Hours Daily

PRESIDENT COOLIDGE probably puts in more time at work in the White House than any other President of this generation. He is the despair of the clerks who arrive late at their desks and find that the President himself has opened the office mail, sorted it in tidy piles and left it for the late arrivals; also of those who, possibly having social engagements to fulfill, and, timidly inquiring whether "the Boss has gone home," learn that he is still at his desk in the early evening completing those tasks which he knew could be done today.

He arises before 7 o'clock and shaves himself, relying upon his valet only to cut his hair and arrange his clothing. Quite often he takes a morning stroll through the city streets, accompanied by the secret service men which Congress has provided for him despite any desire of his own in the matter. He returns to the White House, reads the Washington and New York newspapers and has breakfast, usually before 7:30. He and Mrs. Coolidge usually have breakfast alone. The occasional house guests may dine with them or have breakfast in their rooms. The only marked departure from this privacy is the formal morning breakfasts to which members of Congress are invited to share buckwheat cakes and sausage.

## Social Breakfasts Only

THESE have been termed "missionary breakfasts," by those writers who believe that President Coolidge calls in the statesmen to acquaint them with his secret plans of great magnitude or to prevail upon them to give energetic assistance to his policies. As a matter of fact, they are nothing of the sort. They are entirely social. Matters of state or of politics are rarely discussed there. The President does not like "town-meeting" discussions. If one tells one thing to one person, he then knows who is responsible for any leak and can protect himself from that person in the future. But the gossip among a dozen to whom the secret was confided would be difficult to tab. Friends of mine who have observed that the President was distressingly uncommunicative at a banquet or social gath-



The White House. This name became official during Roosevelt's Administration, supplanting the less democratic phrase "Executive Mansion." In the foreground is the controversial Jackson statue, the first equestrian statue cast in America



ering have been amazed by his fluency and entire lack of restraint when conversing with them alone.

He arrives at his office by 9 o'clock. While living at Dupont Mansion during the repairs to the White House, he occasionally walked to and from his executive offices. But day by day he motored down in his big limousine, with the secret service men at his heels in their own swift car.

#### When the President Begins

**B**UT WHITE HOUSE attachés have long since learned not to accept 9 o'clock as a fixture for him. Occasionally he is there before 8. On these occasions he opens the mail himself and writes in longhand a memorandum reply to those messages deemed to be important. Waiting the arrival of the clerical staff at 9 o'clock, he sometimes strolls out into the reception room at the main entrance to the White House, sits upon the edge of the long mahogany table and "kids" the White House policeman on duty there. The policeman is yet unaware that the supposedly quiet, reticent, serious man from the stern hills of Vermont is "applesaucing" him in ordinary conversation, as the following incident will show.

#### Mr. Coolidge in Lighter Mood

**PAT** McKENNA, messenger to all the presidents since Roosevelt, entered the reception room and walked past, as usual, to his post outside the President's private office. President Coolidge, who has seen Pat McKenna at least twenty-five times a day almost every day since he has been President, said to the policeman:

"Who is that?"

"That's Mr. McKenna, Mr. President," said the surprised policeman.

"Does he work here?"

"Oh, yes, Mr. President. He's your messenger."

"Is that so?"

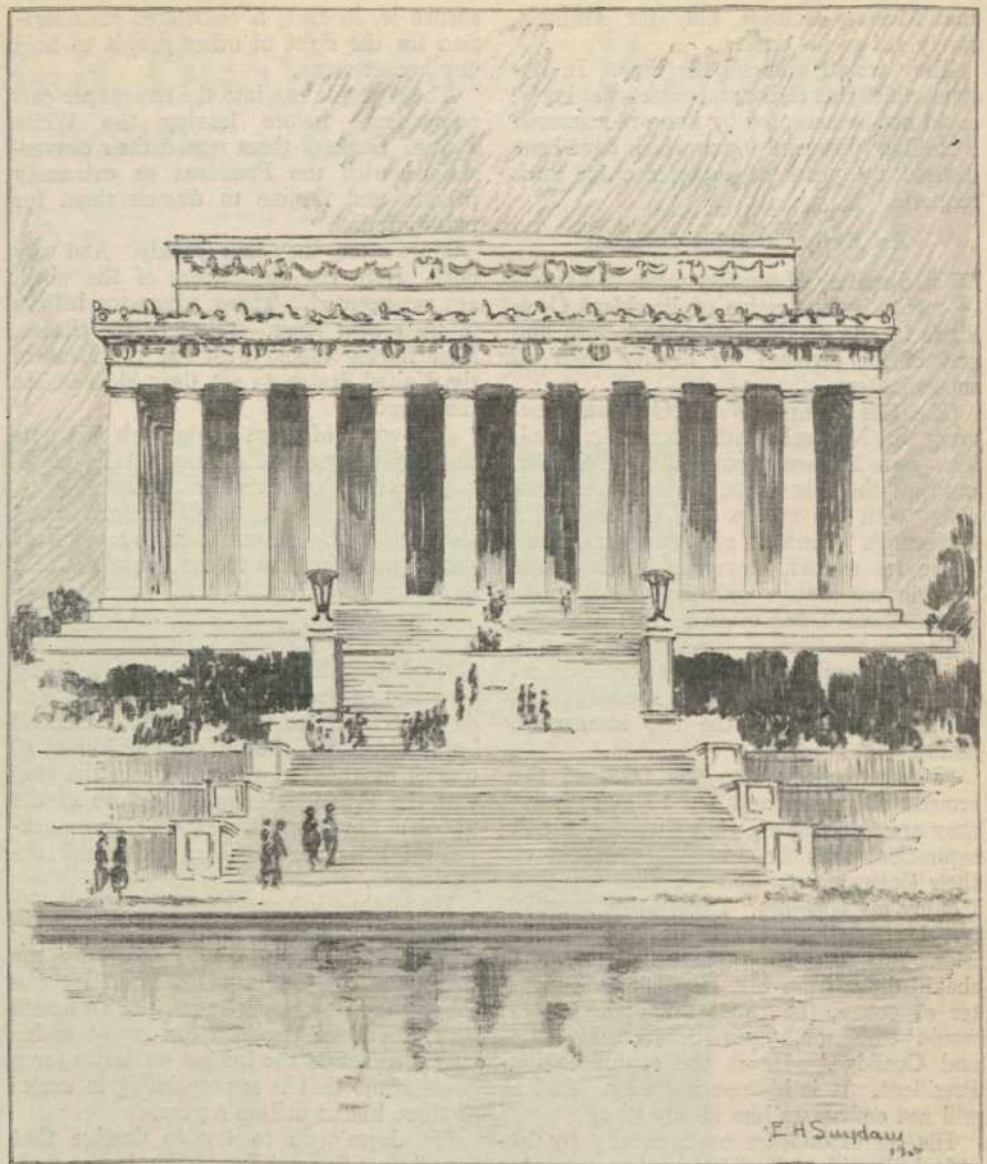
Often in the same mood he amuses himself with the colored help at the White House. Preying upon the well-known reluctance of that happy race to sail the sea or enter the dark woods, the President told them when he was preparing for his summer's stay at Swampscott that they had better have their strongest fishlines in readiness because they would be catching deep-sea whales before long. They were sent up to Swampscott on the presidential yacht *Mayflower* and threatened mutiny. Some of them promised to resign unless they were allowed to return by train.

This spring, when planning his summer sojourn in the Black Hills of South Dakota, the President told them to have their bows and arrows ready because they were in for some healthy big-game hunting.

#### Kidding the Hired Hands

**WILSON** JACKSON is dubbed "Master of the Hounds" and has quite a public reputation as a caretaker of any and all forms of animal life. His largest job, however, has been administering to the needs of the White House colliers and Rebecca the pet raccoon.

The Mayor of Johannesburg decided to send the President a pair of lion cubs. While they were en route, the President



*The Lincoln Memorial. This building, erected half a century after the death of the great emancipator, has taken a place among the great structures of the world of all ages*

asked Jackson if he would be able to handle the steadily growing monarchs of the jungle.

"If they is gentle," said Wilson, "I guess maybe I get along with them all right."

"One of them bit off a man's foot before sailing," said the President, without a smile.

"How come, Mr. President?" said Jackson.

"His foot was in the air," said the President.

"Gee, that man must a been runnin' some," observed Wilson solemnly.

#### Eats Old-Fashioned Peppermints

**A**T 9 o'clock the President begins upon his mail. He dictates rapidly. By the way, he now dictates all his speeches, even the most important ones. When Governor of Massachusetts, he would sit in his chair, throw one leg over the other and write his messages, no matter how long they might be, upon a pad of paper in his lap. He usually had a package of old-fashioned peppermint chocolates in his desk and would munch them as he wrote. He now quite often summons his personal stenographer to the White House in the early morning or after dinner and dictates his

speeches and state papers free from interruption.

He rarely revises his speeches, once they are written. He showed to a friend of mine his Annapolis speech of two years ago just after the first typewritten copy was completed. It was the President's first utterance upon his policy of peace and preparedness.

#### Back of a Coolidge Speech

**T**HAT is a remarkable speech, Mr. President," said the friend. "How long have you been writing it?"

"All my life," replied the President.

Of course a great mass of mail is answered by the President himself. But he believes the government departments should function themselves. So another large batch goes daily from the White House to those departments which are naturally responsible for the subject matter contained. The countless telegrams sent by dear friends of candidates for public jobs are rarely seen by him. They are catalogued by the White House staff for possible future reference but then sent by messenger to the departments under whose jurisdiction the jobs are fixed. In the same way, the horde of telegrams for and against



the McNary-Haugen bill, for example, rarely got to his desk.

They would take all his time. Invitations which, his clerks and secretaries know, could not be accepted by him are answered according to several forms which have been devised by years of experience for such requests.

#### An Early Coolidge Incident

THIS matter of sending mails to departments is illustrative of President Coolidge's loyalty to those who work with him and of his demand for loyalty from all subordinates.

The late Samuel W. McCall was governor of Massachusetts when Mr. Coolidge was lieutenant-governor. Executive business there is conducted by those officials "with the advice and consent" of a Governor's Council of seven members. When he retired, Governor McCall said, "Calvin was always with me, and the vote in the Council was often seven to two."

During his tour of the border states in the 1920 campaign, when he was a candidate for Vice-President, the President told me he was enjoying the trip immensely, adding:

"I like to look into the faces of the crowds of people and try to guess what they are thinking of, what their hopes and aspirations may be, what they expect of their Government. But I cannot say that I enjoy my speeches. I like to be specific, but I am talking platitudes and generalities. But there is no escape from it. If I should differ from Mr. Harding on a matter of policy, the Democratic newspapers would emblazon, 'Split between Harding and Coolidge.' He is the candidate for President. It is his responsibility. And I will not embarrass him in any way."

His correspondence over, usually by 10 o'clock, President Coolidge until noon meets a long string of persons by appointment. They may be senators or representatives. They may be captains of industry, inventors, pleaders, propagandists. They may be delegations from the "sticks" to present an invitation to him to visit their town and dedicate a bridge for them. They may be the ambassadors or former statesmen from foreign countries. They may be advocates of job-hunters. These last are kept away from him by his secretaries unless they are public officials whose opinion should be sought, or the occasional conspirator who gets himself in by deceit. That type is extremely rare.

#### Private Talks a Help

IT IS from these conferences that President Coolidge derives much useful information. These men and women come from the four corners of the country. They give him a good contact with what that section of the country outside of Washington is thinking. New ideas, valuable for the Government, are often produced by these protagonists. These advocates find him always friendly, sociable and sympathetic.

He lets them make their arguments. Oftentimes he disagrees with them from the start, but he allows them to continue. Too often they come away assuming his silence to be assent to their views. His

silence is, in fact, a charitable consideration for the right of other people to hold any honest views.

These people run into the newspaper correspondents before leaving the White House. Some of them regard their conversations with the President as extremely private and decline to discuss them for publication.

More often, they talk frankly. And why not? Here the newspapers of the world are represented. These advocates believe in their own ideas. What better chance, after having talked with the President of the United States, to get their ideas before the country?

And some of them go in with the purpose aforethought of seeking out the newspaper correspondents the moment they leave the President. The President knows this type well. He once said to me, "Some people come in here to use my office for a sounding board."

#### The Regular Morning Routine

THE ABOVE is the President's morning schedule except on Tuesdays and Fridays. Those are Cabinet days. General Lord, Director of the Budget, sees him at 10 o'clock on those mornings. From the general the President learns the state of the nation's finances. He is told the unexpended balances of the governmental departments.

He is thus informed in advance of the Cabinet meeting whether some plan of expenditure certain to be proposed by the Cabinet can be accommodated by the funds left in his department. In an hour's time, President Coolidge can digest to his own satisfaction the budget estimates for a government that is appropriating in excess of three billion dollars a year.

"It doesn't do to try to deceive that man," says General Lord, who, in the matter of figures, has a mind that would cause a comptometer to burn up with envy.

"The President looks over the estimates and says quietly: 'How about this? You said a year ago that \$134,000 would be saved this year in this item, \$239,000 in that appropriation and \$2,599 in this?'"

#### Picture of a Cabinet Meeting

THE CABINET officers, a dozen of them conducting the big departments of the "mightiest nation on earth," file into the Cabinet room to which the President enters from his private office. He sits at the head of the long mahogany table. They sit in regular places, determined by the order in which their departments of government were established. The Secretary of State is heard first. He reports upon any matters which he deems worthy the attention of the President and his fellow Cabinetees. It may be the newest developments on China, Mexico or Nicaragua.

He has done this thing, or decided not to do it. He wants their advice and suggestion. He can take it or leave it. President Coolidge wants every member to run his own department without interference by any other member. The advice is likely to be helpful. It should be obtained, because they are all working together for the single interest of the nation. In the last analysis, the Cabinet official puts the mat-

ter up to the President for his decision or approval.

Occasionally the Cabinet officers of lower seniority are not reached because of the length of discussions of the prior matters. These Cabinet members frequently see the President by special appointment at another time to present their most pressing problems to him.

In fact, scarcely an afternoon passes without from one to five Cabinet officers conferring with the President on matters left untouched at the last Cabinet session or upon major developments that have arisen since. During the delicate moments on China and Mexico, Mr. Kellogg was at the White House two and three times every afternoon.

#### The Nation's Active Chief

WHETHER you like it or not, the Government is being run by President Coolidge. In former days, when a crisis arose the correspondents would hasten to the Cabinet officer affected, receive from him a statement of his views and publish them without hesitation as the attitude of the United States Government. It is not done now. Correspondents wait for the regular press conference with the President. These come twice a week, at noon on Tuesday and at 4 on Friday. The President holds such conferences even during his summer vacations. He regards them as a medium of reporting the administration of the people's business to the people.

He drives to lunch, leaving the White House shortly before 1 o'clock. He frequently enjoys a nap in the afternoon "at home."

#### Has Busy Afternoons

HE IS back at the White House early. There he again disposes of his mail and meets people by appointment. The afternoon is usually left open for government heads and subordinate officials. His desk is busy until 5 o'clock. Sometimes it is 6 before he completes his day's work. But, once he leaves the White House, that is usually the end of work.

Now and then he confers in the evening on governmental affairs and now and then he writes his speeches or government messages. There is an occasional state dinner; at times there are house guests. But, by and large, he and Mrs. Coolidge have their evenings alone. The requirements upon Mrs. Coolidge's time are so exacting that an article of great length could be written upon the activities of this charming lady, but, like her husband, she works to the clock and the evening finds them enjoying that simple home life which is one of the finest examples that the country has ever witnessed.

Mrs. Coolidge is a radio fan. The White House is well equipped, of course, with the best designs of this happy invention. Mrs. Coolidge tunes in and the President sits nearby, probably reading. History is his delight.

Send him something new on Abraham Lincoln, if you've got it, and you can rest assured that you will have provided a happy evening for a man at the first family hearthstone of the nation.



# Rare Books, a Busy Man's Pastime

By ROBERT L. BARNES

**A.** EDWARD NEWTON, business man and book-collector extraordinary, now in his early sixties, is Chairman of the Board of the Cutter Electrical Equipment Manufacturing Company. Established in 1884 it is one of the oldest concerns of its kind in the country. In 1895, Mr. Newton took over the then almost bankrupt concern and began building it up to its present success. But I am not writing of Mr. Newton, the business executive but, Mr. Newton the bibliophile.

He is a business man, to be sure, a salesman primarily, and an astute buyer. But he has not let his business get him into a rut. He has built his life around his business and around his hobby, letting neither dominate. To read his books and essays one might think he had taken all the degrees that the student can get with time and grind, but such is not the case. As a boy he ran away from school and never returned. He now has three honorary degrees, given him in later years by as many colleges in recognition of his contributions to literature.

## Astute Buyer

**A**T TWENTY he had been to London which then was the London of Charles Dickens. This trip gave Mr. Newton's already great love of books its particular bent. From Dickens he went into the literature of London and so to Charles Lamb and Dr. Johnson. One always associates Mr. Newton with Dr. Johnson, though he is an enthusiast on Gilbert and Sullivan, Dickens, Irving and Terry, Blake, and others. Mr. Newton, like a good Johnsonian, regards books as secondary in interest to men. What then does this historically minded man think of government and business? To quote from one of his

essays, *Dialogue between Father and Son:* which, by the way, concerns Gilbert and Sullivan—

*"When I was a lad, I served a term  
As office boy to an attorney's firm.  
I cleaned the windows and I swept the  
floor,*

men have been taught to believe that upon the invincibility of their Navy, Britain's greatness depends; yet when Sir Joseph Porter, a mere martinet, tells us, in a comic song of many verses, how and by what means he has risen to the control of this great weapon, they positively laugh their heads off.

But if anyone in Philadelphia ventures to observe that our streets are unspeakably filthy, our mayor stops having his photograph taken, and begins talking about what Dr. Johnson said was the last refuge of a scoundrel. It's a case of the shoe pinching, I suppose."

Readers who have forgotten their Johnson, perhaps should be reminded it is patriotism Mr. Newton so describes.

The present popularity of Dr. Johnson is due in no small measure to Mr. Newton's activities. American demand has so forced the market that first editions of Johnson are to be had only at prohibitive prices. And it is Caliph Newton who is largely responsible for the American demand.

## Progress?

**T**HOUGH democracy is a fraud in his opinion, he does admit that business relations are improving. "For example, Gerard Swope, President of the General Electric Company, and I are the best of friends and when I go to New York we lunch together, a proceeding that would have caused the founder of this business considerable suspicion.

Such friendliness between competitors is usual nowadays but where there is nothing more in common than merely being in the same line of business I wonder how long it will continue, especially if hard times come.

"We think that the world progresses, whereas, in reality, it merely goes round in circles. My son, who is the mixer of the



**A. Edward Newton, of Philadelphia, successful executive, author and hobby-rider.**  
*His hobby, book collecting, is worthy of a man of high attainments*

*And I polished up the handle of the  
big front door.  
I polished up that handle so carefulee  
That now I am ruler of the Queen's  
Navee!"*

"We get lots of our ideas about government from comic operas, and then take ourselves as seriously as Sitting Bull. The English, on the other hand, don't hesitate to poke fun at themselves. For centuries English-



firm, says trade association conventions and that sort of thing are beneficial. And perhaps he is right.

"Nowadays we move rapidly and our happiness seems to express itself in terms of plumbing. Life is more comfortable but it is less picturesque. Having been born to democracy, having achieved votes for women, and had prohibition thrust upon us, we should see smiling faces and contentment everywhere. But do we? The question answers itself. Our labor and time-saving devices leave us no leisure to enjoy life. As the world grows older it grows sadder, not wiser. We have, in Disraeli's phrase, 'Established a society which has mistaken comfort for civilization.' Our politicians—the scoundrels—are reforming all the joy out of life."

But to get on to books and Mr. Newton's views of them—and to talk with him about government and business, leaving books out of the picture, is like going to England without seeing London.

Why ask Mr. Newton's opinion of books and book collecting? One reason is because he delights to talk about them, which is sufficient reason when one talks so delightfully as Mr. Newton. The second is that he has a great record as a promoter of books. I think I may use with propriety such a phrase about a man who makes his living "Doing It Electrically."

#### Meets Interesting People

A GREAT basket full of letters on his desk testifies to the influence which he has had through his books and articles. His first book, *The Amenities of Book-Collecting*, has run through five editions to a total of 25,000 copies. And every one of these has been bought because someone was interested. Mr. Newton never gives a "presentation copy," holding with Dr. Johnson that "People seldom read a book that is given them."

Every day he receives letters from people in various parts of the world and it is in this meeting of minds that Mr. Newton finds one of the real joys of book-collecting. Through his hobby he has met many interesting people, among them John Burns, England's one-time Labor leader, who has in his fine library the finest collection of Sir Thomas More in the world.

Mr. Newton has critical judgment and the independence to back it. It was an attack by that literary bigwig, William Lyon Phelps, on Anthony Trollope that quickly brought Mr. Newton to the defense. And time has vindicated his judgment.

Trollope is another of the authors that Mr. Newton has done much to popularize and whom he ranks next to Charles Dickens in popularity.

But he can acknowledge his mistakes. In one of his essays he wrote that he didn't think it possible to make a collection of early medical manuscripts. While I was interviewing him, a book came in which proved to be a catalogue of medical manuscripts of 1640 and earlier, collected by a great diagnostician, Dr. Leroy Crummer, of Omaha, Nebraska, in answer to Mr. Newton's implied challenge. Needless to say, Mr. Newton immediately acknowledged his error and was pleased at this evidence of the increasing popularity of

book-collecting. His pleasure in furthering the appreciation of books is as great as his delight in them.

#### In Other Words "Do It Now"

TWO hundred and sixty-three years ago, Samuel Pepys, whose magnificent library is now in Magdalen College, at 32 years of age wrote: "The truth is I do indulge myself in pleasure knowing this is the proper age to do it; and out of my observation that most men that do thrive in the world do forget to take pleasure during the time that they are getting their estates but reserve that til they have got one and then it is too late to enjoy it."

Mr. Newton holds with the gossipy Samuel and believes the time to start collecting is while one is young, though age is no bar. His only regret is that he didn't buy more when he was younger. Books are often more valuable than bonds but they must be the right books—first editions, association books, etc.

#### Even a Coolidge Hobby-Horse

BUT, you may say, "I am not interested in books or in book-collecting." To that I can only say that you should ride the hobby you prefer; and if you are wise, you will ride some hobby. You may, as a result, have the experience of a man who was interested in clocks. From them he went to sundials and before he knew it he had a fine library on poetry, for sundial inscriptions lead one far afield. And speaking of sundials, on the lawn of Mr. Newton's home at Daylesford, Pennsylvania, is one with this inscription:

*I'll live tomorrow  
You delaying cry—  
In what far country  
Does tomorrow lie?*

But let us assume that you are thinking of collecting books and that you have no objection to getting your money out of them. "Don't let your hobby take you too deeply into one author," Mr. Newton suggests. Why? Too recondite a study of a subject will lead one too far from a general appreciation of the material. Interest flags if there is not variety, and variety is the spice of life. Also in a large collection of an author the valuable items may be lost sight of and slip by for practically nothing. So, long before you have exhausted the possibilities of one author, start collecting another. Of course, to the buyer, the large collection of an author offers opportunities not to be missed.

#### Market Can Only Be Bullish

BOUND copies may look well on shelves, but beware of them, for the discriminating collector prefers the original board and cloth with the paper labels. Rebinding may do many things to a book but it can't increase its value. It may reduce margins, a point of cardinal importance; or it may mean a change in half-titles—either the addition of half-titles from later editions that weren't there in the first edition or they may be lacking where they should be.

Another of Mr. Newton's regrets is that he hasn't taken up Americana, which is not a fad and offers vast possibilities. Books that today sell but for a few dollars will soon be worth hundreds. Mr. Newton

tells this story: An old lady went into a broker's office and said that she wished to invest in gilt-edge securities. The broker named a number of good investments, but they did not please the client. Finally he recommended government bonds as reliable.

"You believe government bonds are absolutely safe?" said the lady. "Well," replied the broker, "I would not say 'absolutely safe,' but they'll be the last things to go." Now, next to bonds, Mr. Newton ranks books. He says an increasing demand and a diminishing supply can work but one way.

Two suggestions Mr. Newton makes to the beginner are: to cultivate some good bookseller; and to study literature. "For," says he, "too much attention is now paid to 'star items' thus making a 'spotty' market." Collecting may become such a vice that literature is forgotten.

Of interest to the book-collector is Mr. Newton's announcement that his next book will be answers to all the questions one might ask were he locked in his library for a week.

While I was talking with Mr. Newton someone telephoned and offered him the original manuscript of Poe's *Raven* for a fabulous sum. This naturally led to an inquiry as to what he considers his most valuable possession. He replied: "Sir Joshua Reynolds's portrait of Dr. Johnson." Amy Lowell said this picture explains, as no other picture of Dr. Johnson does, why his friends loved him. But Mr. Newton has few such expensive treasures. (He didn't buy *The Raven* because he said he was short of money.)

#### Use Your Own Judgment

IN HIS last year's Christmas greeting—*My Library*—he wrote:

"I have little respect for a collector who is not willing to back his judgment as to the value of a modern book. It is all very well to say, 'There is a sense of security in an old book which time has appraised for us,' but we ourselves should do a bit of appraising. We should not, as too many picture collectors do, buy names only, after others have made them famous. Good books are constantly coming out. Why did we wait fifty years before we began buying 'Moby Dick'? And if we were not wise enough to buy Mrs. Wharton's 'Ethan Frome' and Kit Morley's 'Parnassus' when they came out, let us do so now and in each case pay \$15 for our neglect. Suppose we blunder in buying a book, what difference does it make? Let us keep on buying until we have a good average."

"Trollope says in the closing pages of his *Autobiography*; 'To enjoy the excitement of pleasure but to be free from its vices and ill effects, to have the sweet and leave the bitter untasted, that has been my study. The preachers tell us that this is impossible. It seems to me that hitherto I have succeeded fairly well!' So have I. It is not a noble philosophy, but then I have never posed as being a noble philosopher. And what is it that Dr. Johnson says, 'To seize the good that is within our reach is the great art of life.'"

*Note.—This is one of a series of articles on business men and their hobbies. Others will appear from time to time.*



# The Cost of Helping Farmers Grows

*Uncle Sam's Spendings for Farm Aid Have Jumped  
Fifteen Hundred Per Cent in the Last Twenty Years*

By

**WILLIAM P. HELM, Jr.**

Cartoon by Albert T. Reid

**EDITOR'S FOREWORD.**—This is the fifth of a series of articles on the rising cost of running the Federal Government, by William P. Helm, Jr., business analyst. In the series, Mr. Helm tells what expenditures of the Federal Government pay for, and why the cost of running it has jumped almost tenfold since 1913, the year before the war. In this article he takes the case of the Department of Agriculture.

**STRANGE** things can happen in the course of twenty years. And in the case of the Federal Department of Agriculture a strange thing has happened. It concerns the Department's spendings. Here, told by the Treasury's ledgers, it is:

Spendings, 1903.....	\$9,551,000
Spendings, 1926.....	155,754,000

In twenty years the spendings of this branch of the Government have increased 1,500 per cent.

What is the reason?

An immediate answer, in the popular mind, perhaps, is the World War. The war vastly increased our public debt, added tens of thousands of employees to the pay-roll, left an aftermath of new and expensive undertakings. It increased enormously, and, of necessity, the spendings of many other branches of the Government; *ergo*, it is responsible for the spectacular rise in the spendings of the Department of Agriculture.

As a matter of fact, the World War had about as much to do with increasing the Department's expenses as the rings of Saturn—a situation which the Treasury records sustain beyond argument. Long before the god of war cast his somber shadow on the globe, the Department of Agriculture had hitched its spendings to a rising

star. Go back of the war days and let the record speak:

Spendings, 1906.....	\$9,551,000
Spendings, 1913.....	20,469,000

In the seven smiling years of peace that preceded the conflict, when farm relief was a phrase uncoined, the Department's bill to the taxpayers rose more than 100 per cent.

Now take the next block of seven years, that eventful period that witnessed the kindling of the conflagration in Europe, our days of neutrality, our entry into the conflict, its close and the first year of readjustment. Let us look only at the Department's routine expenditures, disregarding but a single item because that item inaugurated a new policy (to which we shall come in a moment), and what does the record show? From the Treasury ledgers comes the answer:

Spendings, 1913.....	\$20,469,000
Spendings, 1920.....	42,000,000

Here is recorded another increase of more than 100 per cent in the Department's routine spendings, an increase incurred during the period of the American farmer's greatest material prosperity.

## Continued Post-War Rise

**NOW** the war has ended. The watchwords are chosen from the lexicon of peace—reconstruction, curtailment, economy, retrenchment.

We do not find those watchwords in the Treasury's record of the Department's spendings. What we do find there reads somewhat as follows:

Routine spendings, 1920....	\$42,000,000
Routine spendings, 1926....	60,500,000

During the seven quiet years of war, the Department's routine spendings rose \$21,500,000, or an average each year of about \$3,000,000.

During the six hectic years of reconstruction, curtailment, economy, etc., that followed the war, the Department's routine





spendings rose \$18,500,000, or an average of about \$3,000,000 for each year.

Neither war nor peace has swayed the Department from its ordered way.

Neither war nor peace has changed the ratio of ascending costs. Obviously, the war had virtually nothing to do with the matter. Its influence as a factor in running up the cost of government to the taxpayer, so far as the Department of Agriculture is concerned, may be put down as nil.

The figures shown above, however, do not tell the full story of the Department's spendings, but only the story of its routine spendings. In addition to routine spendings there were also spendings to cover the cost of the new national policy of federal aid in highway construction.

#### Cost of Highway Policy

THAT policy added nearly \$24,500,000 to the 1920 figures shown above, sending the grand total of the Department's expenditures that year to \$66,611,067. That was 325 per cent of the 1913 spendings.

The policy also added about \$95,000,000 to the 1926 figures shown above, swelling the grand total of departmental expenditures in 1926 to \$155,754,233. That was more than double the amount spent by the Department in 1920; 750 per cent of the 1913 spendings.

Obviously, highway construction has been a major factor in running up the total of the Department's bill to the taxpayers from 1920 on.

What else has contributed? How about farm relief?

In the political sense attached to the phrase, farm relief is as innocent as a new-laid egg, so far as increasing the bill is concerned. Farm relief in its later sense has been somewhat synonymous with subsidy. And as far as a direct subsidy is concerned, not so much as a lone buffalo nickel finds its way, out of all the millions spent by the Department annually, into the farmer's pocket. And that means any farmer in the United States.

But there is another meaning to farm relief, though our statesmen use it not. The meaning is indirect aid, paternalism of a sort. Its application may be found in tens of thousands of frills and furbelows, with some substantial cloth, as well, passed out, in ever-mounting quantity, to the nation's farmers by the last ten Congresses. Thanks to the legislation of those assemblies, the Department of Agriculture has become one of the outstanding paternalistic governmental machines of the world.

On its rolls may be found 140,000 full- or part-time workers. In all America, there is no rural section where the Department's representative is not ever at the farmer's beck and call, to make his lot a happier one.

The Department tells him how and what to plant, how to cultivate his crops, how much to plant, what they probably will fetch when harvested, where and how to borrow money on livestock or lands. It maintains 7,500 miles of leased wire to tell him instantly of the market prices of all he produces. It grazes his cattle on the public range, suspends the anti-trust laws that he may combine to sell, wards off disease from his herds, poisons the four-footed enemies of his flocks and crops.

It teaches his wife how to rear her children, put up preserves, make clothes, trim hats, ventilate the living room, paint the furniture, make the hens lay, screen the doors and windows, balance the family diet, plan the flower garden, keep the household budget, fix the kitchen sink, alter the cat and change linen on the sick bed.

It tells her kinds and colors of hats best suited to her blonde daughters and brunettes, what sort of clothes make them the most attractive, how to make a dress form, rearrange the kitchen, install a septic tank, make the bees work harder.

To the head of the family the Department sends its representative with pearls of advice covering all subjects in the *Encyclopedia Agricola*. It will oblige by organizing his childpower into corn, pig, chicken, dairy, and other clubs.

It will tell him how to fertilize his soil, develop high-grade seed for planting, clean his stable, kill rats, keep rust from his rose petals, doctor his ailing stock and dispose of his dead.

In scientific research, the Department spent more than \$10,000,000 in 1926. That single item topped the entire cost of maintaining the Department twenty years ago, and was more than half of the 1913 total.

#### Extent of Scientific Aid

THE scientists thus hired have done amazing things. They have analyzed half the soil of the United States, made the navy bean attractive and digestible, found a way to turn cull lemons into citric acid, perfected a process of converting corn into sugar and another process that makes an extremely sweet sugar from wild artichokes, devised a process for making varnish from corncocks, invented a device for stemming raisins quickly and cleanly, found a fool-proof way of fumigating grain and destroying all weevils, learned the secret of making extraordinary sauer kraut, stopped the gypsy moth dead in its tracks and slowed down the white pine blister rust.

In those undertakings lies the answer to our question. They constitute the main reason, almost the only reason, for the methodical, regular rise of \$20,000,000 every six years in the annual routine spendings of the Department of Agriculture. And the taxpayers pay the bill.

Whether these extensive undertakings are desirable gadgets to attach to the machinery of government, or whether they guide government far afield from its original functions—that is something else. Let the students of government—and the contributing taxpayers—answer.

The undertakings are catalogued briefly, in some of their high lights, here from no motive of criticism. They may be precisely the things that ought to be done. They may not.

In considering how these things have helped pile levy after levy upon the back of the American taxpayer, let us refer briefly to the cost of maintaining some of the Department's activities.

Under the 1913 and 1920 headings, all salaries and rents are shown in a single total. Under the 1926 heading, they are distributed among the various items. There are numerous other rearrangements in the accounting system that make somewhat dif-

ficult a comparison between related activities.

For instance, the Bureau of Agricultural Economics appears under the 1926 heading, but not under those of 1920 and 1913. That bureau was created subsequent to 1920, but its functions embrace the functions formerly belonging to the bureaus of markets, crop estimates and others appearing under prior years.

Again, the listing shows the cost of conducting experiment stations in 1926 and in 1913, but not in 1920. That is due to the fact that such expenditures were not listed separately in 1920 on the Treasury's ledgers. The work, however, was carried on in 1920.

There are other such instances, but they do not affect the total spendings for any of the three years shown. In each case, the total is the total shown by the Treasury records.

Let us examine the record of some of the larger activities. Among them conspicuously is the Bureau of Animal Industry.

In 1913 this bureau expended \$1,283,929. That was 60 per cent more than it spent seven years before, or in 1906.

In 1920, the spendings of this bureau had risen to \$3,731,153, nearly three times the 1913 total.

During the succeeding six post-war years of economy and readjustment, the spendings of this bureau increased almost 100 per cent, to \$7,245,554. Had all the other bureaus in the federal establishment kept pace with it during those six years, our annual bill for government at the present time would be about \$1,000,000,000 a month.

Under those circumstances, there would have been no tax reduction in 1921, in 1924 or in 1926. On the contrary, the heavy taxes of war-time undoubtedly would have been increased. Even these, for all our record prosperity (which, incidentally, they would have prevented), would have been insufficient to produce the required revenue of \$1,000,000,000 a month.

So there probably would have been the necessity for issuing more bonds. The public debt, therefore, instead of having been reduced by upwards of \$5,000,000,000 would stand today at or near its peak of August, 1919.

Interest charges annually on the public debt would be at least \$500,000,000 higher now than they are.

#### Selected as a Typical Case

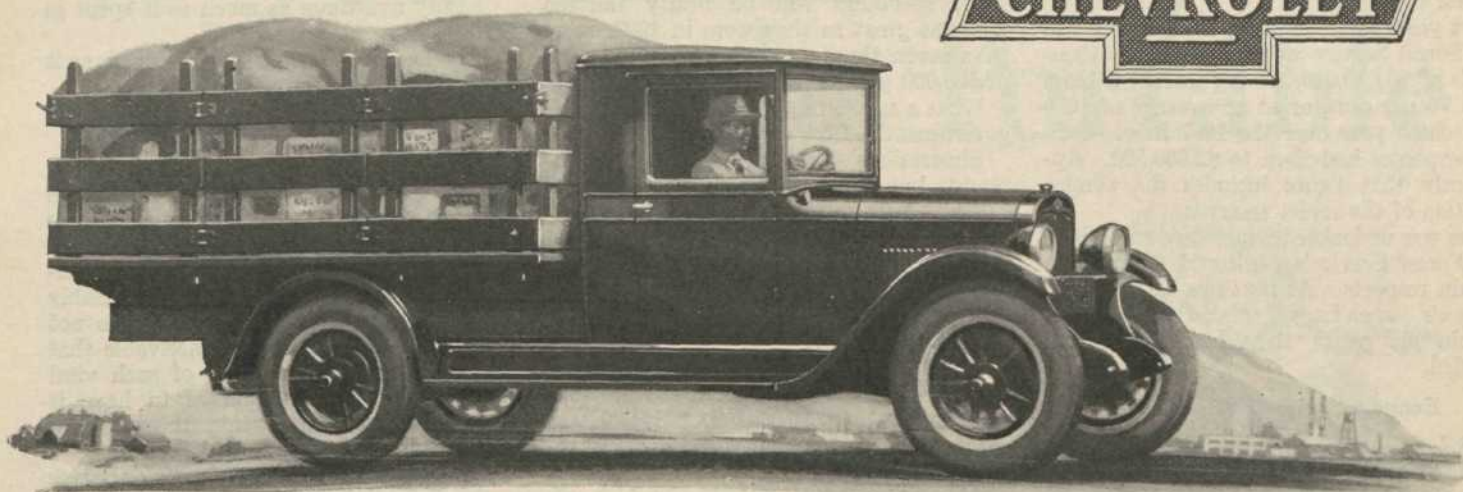
NOW this may sound a bit rough on the Bureau of Animal Industry. It is not so designed. The Bureau is simply the victim of author's selection. Undoubtedly it is carrying on, ably and economically, work of unquestionable value. That is not the point. The point is that it has reached out and enlarged its scope of activities to such marked degree that its running expenses today are twice as great as they were in 1920, six times as great as they were in 1913 and ten times as great as they were in 1906.

Its tendency toward enlargement and increased expenditure, far from being exceptional, is the general rule. Take, for illustration, the Forest Service.

In 1907, the last year of the Roosevelt administration—somehow the mention of the Forest Service always brings Teddy to



for Economical Transportation



# Chevrolet Provides *The* World's Lowest Ton-Mile Cost!

Tens of thousands of users have learned by actual comparison that Chevrolet provides the lowest ton-mile cost\* in the history of the commercial car industry!

This matchless economy is due to advanced modern design . . . extremely low operation and maintenance costs . . . exceptionally slow depreciation . . . and the most amazing price ever placed on a modern, gear-shift truck—a combination of economy features found in no other commercial car in the world.

Whether you operate one or many trucks, go to the salesroom of the nearest Chevrolet dealer and learn for yourself how Chevrolet is designed and built to save you money. Go over the chassis, unit by unit. Note the advanced, modern engineering—typified by a powerful valve-in-head motor, with three-speed transmission and sturdy single-plate disc-clutch. Mark the rugged, quality construction throughout; heavy channel steel frame

—massive banjo-type rear axle—long, extra-leaved, heavy steel springs, set parallel to the frame. Go for a trial load demonstration—and see how perfectly Chevrolet meets your own haulage requirements.

Then examine the amazing economy records made by Chevrolet Trucks in every line of business and under every condition of road and load—records which prove conclusively Chevrolet's over-all economy.

If you do that, the next truck you buy will be a Chevrolet—for, like tens of thousands of others who have made similar investigations of Chevrolet quality, you will say that here is the greatest dollar-for-dollar value in the history of the commercial car industry—

—from every standpoint, the ideal truck for your business!

\*Ton-mile cost is the cost of transporting a ton of material one mile—or its equivalent.

## --- at these Low Prices!

1-Ton Truck Chassis with Cab	\$610
1-Ton Truck Chassis	\$495
1/2-Ton Truck Chassis	\$395

All prices f.o.b. Flint, Mich.

### Check Chevrolet Delivered Prices

They include the lowest handling and financing charges available.

CHEVROLET MOTOR COMPANY, DETROIT, MICHIGAN  
Division of General Motors Corporation

*The* WORLD'S LARGEST BUILDER OF GEAR-SHIFT TRUCKS

When buying a CHEVROLET please mention Nation's Business



mind—the expenses of this bureau totaled \$1,701,463.54, of which \$750,000 and \$900,000, respectively, in round figures, were expended under the headings of general expense and administration of the forest reserves.

Six years later, in 1913, the spendings of the Forest Service were within a few thousands of \$3,000,000, having increased more than 75 per cent, or at an average of 12½ per cent a year over the 1907 base. General expenses had risen to \$2,860,520. Apparently that figure includes the administration of the forest reserves.

The war undoubtedly increased materially the Forest Service's work and expenses in certain respects. At its close, in 1920, the bureau's spendings totaled \$6,554,915. Within six years they had more than doubled.

#### Economy with Small Effect

THE post-war period of retrenchment didn't make a scratch on the bureau's expense account, however, for the record shows that its spendings increased to \$8,991,739 in 1926, rising \$2,500,000 during the six years, almost 40 per cent.

That figure does not include spendings of more than \$9,000,000 in the construction of forest roads and trails. Nor does it include certain other capital expenditures. The budget bureau lists all spendings under the Forest Service in 1926 at \$19,504,899.

For 1927, according to the budget, the spendings will be \$22,084,971.

In 1906, spendings were \$1,701,464.

In 1913, \$2,998,866.

The figures show that, for the fiscal year 1927, spendings will be nearly thirteen times as great as they were in 1907, more than seven times as great as in 1913, and \$2,500,000 greater than they were in 1926.

What a strange way to reduce the cost of government! How droll!

Illustrations could be multiplied indefinitely, but one final one, perhaps, will suffice. Let us take the Bureau of Entomology.

In 1907, according to the records, it spent about \$233,000 of which \$97,000 was to prevent the spread of moths and \$63,700 was to check the boll weevil.

In 1913 its spendings amounted to \$542,248, an increase of more than 130 per cent in six years. Of that sum, \$254,000 was spent in the fight against moths; the remainder was classified as general expense.

Seven years later, in 1920, the bureau's bill to the taxpayers was \$1,194,979, an increase of about 120 per cent over the 1913 bill. The fight on the moth that year cost \$283,815, and the remainder of the bill was charged to general expense.

Six years of economy and retrenchment passed. In 1926, the bureau's bill had risen to \$2,546,266, an increase of more than 100 per cent over 1920.

And in 1927, according to the budget bureau's figures, the bureau will spend \$2,685,050. That sum is:

Eleven and one-half times as much as it spent in 1907.

Nearly five times as much as it spent in 1913.

Two and one-quarter times as much as it spent in 1920.

Five per cent more than it spent in 1926.

#### Costs That Keep Growing

EVEN the dunce of the arithmetic class can perceive that in such a policy there is no cutting of the governmental cost, no reduction of the drain on the Federal Treasury. Maybe there shouldn't be. Possibly the spendings, large as they are, are not large enough. It is quite conceivable that the work of this Bureau is of such vital importance to the nation as to have it endowed twice, ten, twenty times as liberally as it has been endowed.

But why not be square with ourselves and call it what it is? Why not say that the cost of government is on the rise? Why camouflage?

One final word—the bureaus of government do not grow automatically.

Everything they do, every task they undertake, every dollar of the public funds they spend, is authorized by Congress.

And Congress is our creature.

All of which may have a moral.

## Liberated Trade, Not "Free Trade"

*Note of Optimism by John W. O'Leary, Former President, Chamber of Commerce of U. S., a Feature of World Economic Conference at Geneva*

THE WORLD ECONOMIC CONFERENCE which met at Geneva, May 4 to 23, may mark a turning point in economic development. Instead of the usual statesmen and political leaders, this conference was made up of business men, bankers, labor leaders, heads of consumer organizations, agriculturists and economists, and the resolutions reflect the business point of view rather than the point of view of politics.

The conference, meeting in a period when war-time animosities are not yet dead, nevertheless worked with extraordinary unanimity to free the world from the various obstacles to trade which have grown up in the post-war period and to stimulate industry and agriculture. Freeing trade from existing obstacles—which is not to be confused with "free trade"—is one of the vital needs of Europe and indeed of the world today, in the opinion of the conferees.

#### International Chamber Active

A STRIKING feature of the conference was the important rôle played in its proceedings by the International Chamber of Commerce. The Preparatory Committee of the Conference whose functions were to advise as to the make-up, program and date of the meeting, and to secure the preparation of necessary documents, turned to the Secretariat of the League, the International

Labor Office, the International Institute of Agriculture, the International Chamber of Commerce, and to various government departments and experts. Some sixty documents were presented and published before the conference met. With only two exceptions these documents made no recommendations. The exceptions were the Report of the Trade Barriers Committee of the International Chamber of Commerce, and the Draft Convention of the Economic Committee of the League for the Suppression of Prohibitions and Restrictions on Imports and Exports.

That an exception was made for the document of the Trade Barriers Committee is remarkable evidence of the high respect in which the activities of the International Chamber are held abroad. Sir Arthur Salter, in a "Guide to the Preparatory Documents of the Conference," calls this document "in some respects the most important which is before the conference. It is the outcome of consultations and discussions by national committees in many parts of the world, followed by a close examination by the central authority of the Chamber. It covers a wide range, dealing as it does with the treatment of foreigners, obstructions to transportation, prohibition of importation and exportation, customs, international industrial ententes, financial difficulties, and a proposal for a tariff and trade commission. It gives a picture of

trade barriers as seen by those who have daily experience of their consequences, and above all it is unlike most all the rest of the documentation in that it includes—indeed consists of—specific recommendations and proposals. . . . Moreover, a reading of the list of those specific barriers concerning which it makes proposals is essential if a complete picture of the general world situation is to be obtained."

#### Delegates Named by League

IN THE make-up of the conference the International Chamber was also prominent. Practically all of the other delegations were named by governments, but the League Council invited five representatives of the International Chamber: Etienne Clementel, of France, the founder of the International Chamber and former Minister of Finance; Roland W. Boyden, of Boston, Mass., former unofficial American observer on the Reparations Commission; Dr. Karl Kotzenberg, member of the German Economic Council; Mr. Gino Olivetti, general secretary of the Fascist Federation of Italian Industry; and the Rt. Hon. Walter Runciman, M.P., former president of the Board of Trade of Great Britain and director of the Westminster Bank. With the delegation was a staff of experts, among them Mr. Edward Dolleens, general secretary of the International Chamber of Commerce, and Mr. Basil Miles, formerly of the State



# If you could only see a Burroughs Portable *in the making*

If you could only see a Burroughs Portable in the making and follow, step by step, the processes by which raw metal is transformed into this miracle of fine adjustments and enduring strength, you would wonder no longer why every kind of business is adopting this machine — why there are already over 70,000 Portables in the hands of satisfied users.

Dies for every part of the Burroughs Portable are tested under a special microscope and light device which magnifies a hair to the diameter of a walking stick. Parts produced from these dies are more accurate by far than those made to ordinary micrometer standards.

The Portable needs no "breaking in." Each part operates on another with almost friction-free smoothness. Each will withstand wear, even abuse, for many years. For there is built into the Burroughs Portable the recognized quality and workmanship of Burroughs highest priced machines. The same workmen build it. It passes identical inspections. It carries the same guarantees — the same nationwide personal and mechanical service. You will find it invaluable, whatever your enterprise.

BURROUGHS ADDING MACHINE COMPANY, 6278 SECOND BLVD., DETROIT, MICH.

Burroughs  
Portable  
Adding Machine  
**\$100**  
\$115 in Canada  
Easy Terms



Testing Incoming  
Rough Stock



Testing Dies  
By Light



Testing Parts  
For Hardness



Final Test of  
Complete Assembly



Final Commercial  
Operating Test

· · · · · ADDING · · · · · BOOKKEEPING · · · · · MACHINES FOR EVERY FIGURE PROBLEM · · · · · CALCULATING · · · · · BILLING · · · · ·



Department, now American administrative commissioner of the International Chamber of Commerce.

The third speaker in the plenary sessions was the Rt. Hon. Walter Runciman, speaking for the International Chamber. In an admirable address he presented "practical proposals upon those subjects which business men regard as fundamental," including the treatment of foreigners, obstructions in transportation, prohibition of importation and of exportation, international industrial ententes, the financial difficulties which have impeded and to some extent still impede active trade, and, finally, customs tariffs.

#### The Aid of the United States

"WE HAVE the advantage in the International Chamber of Commerce," he said, "of having the assistance not only of our European neighbors but also of representatives from the United States of America. I know it would certainly not be the desire of any American here present that we should assume they were attempting to pass judgment upon old Europe, but we have reason to be grateful to them for having formed very clear views on some of the economic ills from which we are suffering, and, if you will allow me, I will quote one single sentence from our American Committee which, being the judgment of shrewd observers from outside, we may well take to heart.

"It says: 'It is generally recognized that the absence of trade barriers throughout our whole area—that is to say, the area of the United States of America, nearly as large as Europe itself—renders unnecessary in the United States many of the steps desirable in Europe. Instructed by our own experience, the American Committee feels that substantially similar freedom of commerce and trade in Europe would inevitably result in great benefit to the European peoples.'

"This is the sober judgment of observers who have the enormous advantage of living three thousand miles away from Europe, but it also has the justification of being based upon practical experience."

The conference broke up into three committees, the first on commerce, the second on industry, and the third on agriculture.

The commerce committee was impressed with the necessity of restoring greater freedom to a world harassed by obstacles born of the war, and to economic fallacies. The final resolutions adopted by the conference under the heading "Liberty of Trading"—an expression not to be confused with "free trade"—related to measures to liberate international commerce from import and export prohibitions and restrictions.

It condemned the practice of granting special immunities and privileges to government-controlled undertakings. It also recommended the preparation of a convention on economic and fiscal treatment of foreigners and foreign enterprises for which valuable information had been furnished in the report of the International Chamber of Commerce.

It took up customs tariffs, a simplified nomenclature, and the stabilizing of customs tariffs, thus working to eliminate a disturbing factor which has been especially

harmful to industry and commerce. It also attacked the height of tariffs, declaring that "the time has come to put an end to the increase in tariffs and to move in the opposite direction."

It condemned the practice of penalizing imported goods by means of differential internal taxes.

A bit of fun and pleasantry enlivened the conference proceedings. A British delegate with a poetic penchant delivered a Hymn of the Economic Conference:

Hark! the exporting nations sing  
World Free Trade's the only thing!  
Open doors and tariffs mild  
Marx and Mammon reconciled!  
Soviets, Balkans, do not frown,  
Let us mow your tariffs down  
Else your trade (and ours as well)  
Cannot help but go to hell.  
Hark! the exporting nations sing  
World Free Trade's the only thing.

This was answered by Dr. Alonzo E. Taylor of the American delegation:

Churchill listens while they sing  
"World Free Trade's the only thing."  
Balfour jokes while Layton smiles,  
Both forget the Tory wiles—  
Sugar grown on subsidy,  
Rubber a monopoly,  
Sheltered lace and cutlery,  
Socks and clocks no longer free—  
Churchill listens while they sing  
"World Free Trade's the only thing."

The chairman to the American delegation to the conference, Henry M. Robinson, president of the First National Bank of Los Angeles and member of the Dawes Commission, has for many years been prominent in the affairs of the United States Chamber of Commerce. John W. O'Leary, another member of the delegation, is its past president. In accepting his appointment by President Coolidge, Mr. O'Leary made it a condition that he should be permitted to preside at the annual meeting of the Chamber in Washington in early May, and he arrived in Geneva some days after the opening of the conference.

The American delegation then perpetrated these verses to commemorate his coming:

The genial J. W. O'L.  
For a time was A.W.O.L.  
But he came at the end  
To help us defend,  
And now he is helping like hell!

In the sessions at the opening of the conference, Mr. Robinson spoke on rationalization—a general term for scientific management—in the United States, that is, the industrial technique by which our standards of living have risen and our productivity has increased, including stabilization, standardization, simplification and the elimination of waste from "too much government in business." He was careful not to present this experience as something which Europe should swallow whole, but rather as something which might throw light on certain European problems.

Mr. Robinson was the first American to speak from the rostrum in the Hall of the Reformation, where League assemblies are held. Mr. O'Leary was the second. In the final plenary sessions he delivered with great skill and tact a suggestion which did not even call for a resolution or a vote, em-

phasizing the desirability of further study of the possibilities of colonial development as a means for stimulating European economic recovery.

Mr. O'Leary said:

"The Delegation of the United States of America has been glad to support the resolutions of the Conference on Rationalization of Industry. In the United States rationalization has been a very important factor in both industrial progress and general prosperity.

"Through the experiences which have come to us, we feel it desirable to submit a suggestion, not brought out in the resolutions, and having reference to the desirability of enterprises for development of new resources inadequately utilized. Much of the discussion before the conference has emphasized the difficulty of finding markets for the products of European industry and the disparity between productive capacity and consumption. The difficulty and disparity appear to exist especially in the mining industry and the heavy manufacturing industries. The production and consumption of commodities intended for immediate use has in general reached, if not exceeded, pre-war proportions. The same is not true of the production and demand for capital goods. . . .

"Before the war a large part of the demand for capital goods was in development—not only in the principal industrial countries themselves but throughout the world—of new natural resources or resources only partly utilized. It was in the creation of new enterprises of transportation, public improvement, mining, forestry, agriculture and manufacturing. The war almost entirely put a stop to new enterprises of this character, and they have been resumed since on only a very greatly reduced scale.

#### New Activity Encouraged

"THE delegation from the United States of America believes that the time has come for resumption in larger measure of this work of opening up the world's resources. Such resumption would bring with it an increase in the demand for capital goods.

"We are aware that there are difficulties in finding the capital necessary for such development. However, the public interest, which would be stimulated by creative enterprises of this character, enterprises which make a somewhat dramatic appeal to the mind, would tend to increase saving on the part of the people and thus to provide more capital than would otherwise be available.

"Sound projects for the development of new or inadequately utilized resources have the double advantage of creating immediate demand for capital goods and of bringing about, when the enterprises are completed, new productive capacity and consequently new buying power for immediately consumable goods as well as for capital goods."

Agricultural recommendations covered general adoption of better technical methods of farming, more scientific organization, an extension of the international campaign against diseases of plants and animals, and cooperation and the organization of credit institutions.



# Unless You Can Answer These Questions Correctly—

## You Can Profit by Reading This Valuable Book

What increase in calls can be expected when salesmen travel by automobile instead of by rail?

What sizes and types of automobiles are favored for salesmen's use?

What is the best plan for ownership of cars in which salesmen travel?

What system of defraying expenses on cars will prove most satisfactory to company officials and salesmen alike?

Such questions have confronted sales managers and general executives with increasing frequency ever since the automobile assumed a prominent place in business. Now for the first time, the opinions of a number of experienced companies are available in brief form.

Read what the spokesmen for these companies have to say. The companies cover a wide range of sizes and interests. And their experiences cover practically every known method of handling salesmen's cars.

The book includes three general sections: "Who Should Buy the Car—the Company or the Salesmen?"; "How Should Operating Expenses Be Handled?"; and "Developing a Plan for Operation".

It has been prepared for the use of sales managers and other executives. You can obtain your copy by filling in and returning the coupon below.

OAKLAND MOTOR CAR COMPANY  
PONTIAC, MICHIGAN

### COUPON

Oakland Motor Car Company, Dept. K,  
Pontiac, Michigan

Gentlemen:

Please send me a copy of the book, "Experiences of Various Companies in Handling Automobiles with Salesmen".

(Name).....

(Title).....

(Company).....

(City)..... (State).....

### Experiences

of  
Various Companies in Handling  
Automobiles with Salesmen



Over a number of Representative Companies  
have prepared this book, based on the  
experience of their own and developed  
practical plans for handling salesmen's  
cars and for their salesmen.

OAKLAND MOTOR CAR COMPANY, PONTIAC, MICH.  
PONTIAC, MICHIGAN

"Salesmen's Car Expenses  
are Compared"

"No Haggling Over Car Expense"

"How are Operating Expenses Handled?"

"Controlling Use of Cars"

"When are Cars Replaced with  
New Equipment?"

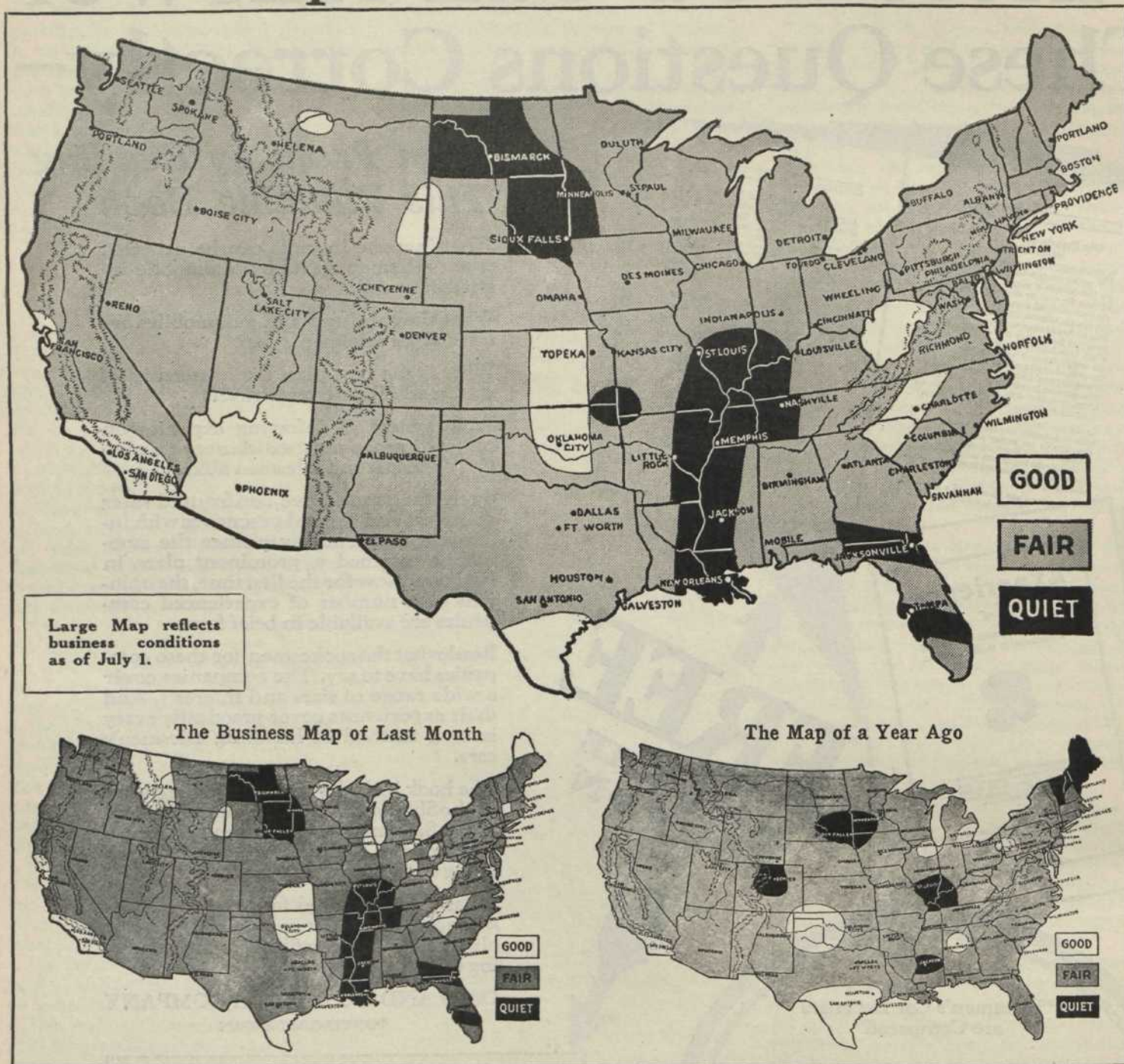
# PONTIAC SIX

PRODUCT OF GENERAL MOTORS

When buying the PONTIAC SIX please mention Nation's Business to the dealer



# The Map of the Nation's Business



**A** DESCRIPTION of trade, crop and industrial developments in June and the half year somewhat resembles the effort to arrange in order a number of threads of differing lengths and colors, this because of the varying degrees of activity shown in the first two lines and the uneven conditions in crops.

Generally speaking, June trade was better than was the rather poor distribution of May, when the weather was pretty nearly all that it should not have been. Industry on the other hand slumped rather sharply to the low point of mid-year.

Crops, however, stood out as making decidedly favorable progress from the rather chaotic situation in May. For the half year a general view reveals a total volume of trade and industry below a year ago's peak in most instances—a result which is

**By FRANK GREENE**

*Manager Editor, "Bradstreet's"*

regarded as being in line with the more conservative predictions at the outset of the year.

One of the most notable developments of the six-month period was the tendency of the more important measures of movement to taper off as the six-month period advanced to its close. Those measures which give a complete view of the half-year activities in various lines showed a rather uniform trend downward. The commodity price index showed a reduction of 3.4 per cent from January 1, with leading farm products, however, tending to advance, thus cutting down the hitherto unfavorable balance against those staples, whereas

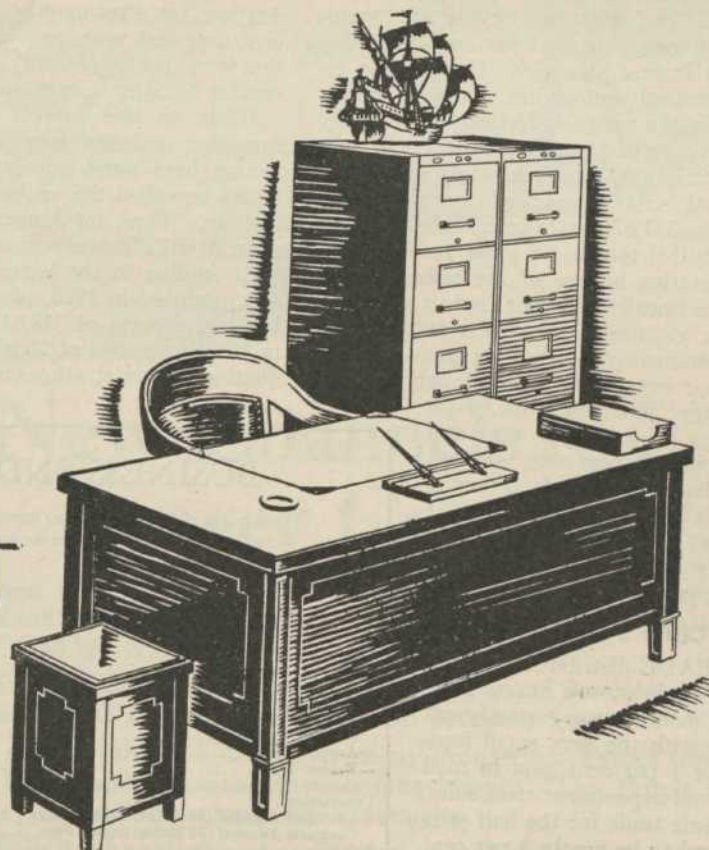
manufactured products tended to weaken.

Among the industries, iron with a decrease of 2 per cent, and steel with a decline of 1.5 per cent in output from a year ago, were prominent; the more so since iron prices were 4 to 5 per cent and steel prices 2 to 3 per cent below a year ago at mid-year.

Building permit values, which, like iron and steel, fell off sharply in June, showed a reduction for the half year of 8.7 per cent; this, by the way, following a decrease last year of 2.9 per cent in the same period from 1925. This decline in construction was naturally enough accompanied by an estimated 10 per cent reduction in lumber orders and shipments and an even greater percentage of curtailment of production. Automobile production for five months fell off 11 per cent from a year ago, which,



# HERE— BEAUTY IS A SOUND INVESTMENT



**P**ROVIDED it is also practical, office equipment that is beautiful is a sound investment.

Forty years of experience, born in the handicraft of the first men ever to make steel office equipment, have left Art Metal a heritage—a standard—to which it carefully adheres.

Only cold rolled, open hearth steel—only solid bronze—only enamels mixed especially for Art Metal, are sufficiently fine materials to put into

Art Metal steel office equipment.

Mechanical excellence—structural perfection—yes. But something more. Art Metal is steel office equipment in which beauty has not been sacrificed to utility. Both are there in full measure.

In Art Metal desks, files, safes and cabinets, you can have enduring beauty that is practical, with the added virtue of reasonable cost.

Art Metal Construction Company, Jamestown, New York.

*Attractive and efficient is the completely Art Metal equipped General Sales Office of the Continental Gin Co., in Birmingham.*



*We will gladly furnish prices and specifications of Art Metal steel office equipment. Write us for catalogs and complete information.*

## STEEL OFFICE EQUIPMENT by Art Metal



with the quiet in June due to model changes, flood effects on buying, etc., seems likely to result in a 10 per cent reduction at least from a year ago. Car loading returns seemed out of line with the movements in the above industries in that they showed gains of 1 per cent for the half year over 1926, but, as already explained, the soft coal strike accounted for practically all of the 317,575 extra cars hauled and the five months' returns of gross receipts, and net operating income of the railways were only fractionally different from a year ago.

Bank clearings and debits totals stood out prominently as showing gains for the half year over 1926, 2 and 7 per cent, respectively; but New York City's clearings gained 4 per cent and its debits 10 per cent, so that with that city's totals deducted there is shown a decrease of 1 per cent in clearings and a gain of only 3.6 per cent in debits over a year ago.

### Chain Stores Gain

IN TRADE distribution proper, the chain store's heavy gains for six months were certainly out of line with the very small fractions of 1 per cent gain in mail order and department store sales. Wholesale trade for the half year promised to be nearly 3 per cent below a year ago. Following are the latest available returns of distributive trade showing increases or decreases by months.

	Chain stores	Mail orders	Chain and mail orders	Dept. stores*	Whole-sale*
Jan...	10.1	6.9	2.0	9	13.8
Feb...	17.1	3.0	8.1	1.7	13.9
March	12.3	2.1	7.8	1.8	2.4
April...	25.1	4.6	17.6	6.9	2.7
May...	7.5	.05	4.6	4.6	2.9
June...	16.0	3.3	11.3	1.3	...
6 mos.	16.4	.04	8.5	1.3	...

\* Federal Reserve report.

† Estimated. ‡ Five months.

With these statistics indicating a rather general shading off from a year ago in turnover it is not surprising to learn that failures were 3 per cent and liabilities 27 per cent larger in number and volume respectively than a year ago, with failures only once exceeded, and liabilities greater in only three years of the past.

A notable feature of the half year's failures was the increase in number of large suspensions over recently preceding periods. Output of electricity regarded as a fair measure of industrial movement showed a gain of 9.4 per cent for five months over a year ago. Abundant water supply, activity in cotton mills north and south and increased domestic uses all claim some of the credit for this expansion. Petroleum output this year broke all records, the Seminole field with nearly 14 per cent of the total May output, being especially instrumental in this respect.

Five months' production of crude oil was 22 per cent ahead of a year ago while domestic consumption increased over 5 per cent and total stocks gained 8 per cent over

the like period of last year. Gasoline production for five months gained 10.6 per cent over last year, proving that consumption was not necessarily reduced by the smaller number of cars turned out.

While on this subject of gasoline consumption and new cars it is worth interjecting here some calculations as to what might be called the visible supply of automobiles. Thus, on January 1, 1926, there were 20,051,276 cars registered in this country. Adding to the latter total the 4,219,442 produced in 1926, plus imports of 813, but less exports of 313,617, a total supply in 1926 is reached of 23,957,914, which, deducting the registration on January 1, 1927,

year. Prominent centers of this idleness, or, perhaps to use a better word, displacement, are no doubt to be found in the soft coal strike, the curtailment of operations in some automobile centers, in the Pacific coast and southern lumber industries, and in ordinary building. Some of this displacement has, no doubt, been absorbed by other pursuits and a report on this subject by the Department might prove interesting.

### Crop Outlook Better

THAT the crop situation changed for the better in June goes without question, even if uncertainties still cloud the final outcome. The drought which endangered cotton in the southeast and southwest and which actually cut the possible yield of winter wheat nearly 60,000,000 bushels in the latter area, was fortunately broken by rains in the first half of June after the Texas crop was cut to a third of its promise, Oklahoma's crop was cut in half, and the Kansas yield reduced by perhaps 15 per cent. The potential value of the heavy rains in the northwest is, however, illustrated by current estimates that spring wheat may almost make up for the winter wheat loss.

Nebraska will probably have its largest wheat crop on record and the outlook in the Pacific northwest is excellent so that early estimates are for a crop of 820,000,000 bushels against 832,000,000 bushels harvested last year. With 83,000,000 bushels estimated of mill and elevator stocks, as against 60,000,000 bushels a year ago (a total supply of 903,000,000 bushels), 11,000,000 bushels more than a year ago is tentatively advanced.

Europe's crop of wheat is claimed to be larger than last year by possibly 50,000,000 bushels, which, with the possible supply above given and the good outlook for Canada, is said to be at the bottom of the unwillingness of foreign buyers to come into the market heavily.

Corn, the great animal feeding and finishing staple, is later than ever known before, and a long, late fall is needed to assure the moderate yield looked for at present say 2,262,000,000 bushels as against 2,645,000,000 bushels gathered a year ago.

Corn is 30 cents higher than a year ago while winter wheat is a cent and spring wheat 14 cents below a year ago. Oats and barley, possible substitutes for corn, are 10 cents higher and hay, another substitute, of which there is surely a big crop, is still below last year's prices.

Perfect weather and the large supply of moisture in the ground in the west may change the corn position, but it may be repeated that pending a clearer view of the leading crops, general business will probably go forward rather carefully.

## BUSINESS INDICATORS

Latest month of 1927 and the same month of 1926 and 1925 compared with the same month of 1924

	Latest Month Available	Same Month 1924 = 100	1927	1926	1925
<b>Production and Mill Consumption</b>					
Pig Iron.....	June	153	160	132	
Steel Ingots.....	June*	172	181	155	
Copper—Mine (U. S.).....	May	109	112	108	
Zinc—Primary.....	May	108	113	104	
Coal—Bituminous.....	June*	113	133	117	
Petroleum.....	June*	126	104	113	
Electrical Energy.....	May	136	122	109	
Cotton Consumption.....	May	153	125	128	
Automobiles.....	June*	124	157	160	
Rubber Tires.....	May	143	121	121	
Cement—Portland.....	May	121	120	112	
<b>Construction</b>					
Contracts Awarded (36 States) Dollar Values.....	June	158	134	140	
Contracts Awarded (36 States) Square Feet.....	June	130	128	133	
<b>Labor</b>					
Factory Employment (U. S.)—F. R. B.....	May	97	100	99	
Factory Payroll (U. S.)—F. R. B.....	May	103	103	102	
Wages—Per Capita (N. Y.).....	May	106	104	102	
<b>Transportation</b>					
Freight Car Loadings.....	June*	117	121	113	
Gross Operating Revenues.....	May*	108	108	102	
Net Operating Income.....	May*	142	145	125	
<b>Trade—Domestic</b>					
Bank Debits—New York City.....	June*	149	129	123	
Bank Debits—Outside.....	June*	128	123	118	
Business Failures—Number.....	June	114	106	109	
Business Failures—Liabilities.....	June	101	86	108	
Department Store Sales—F. R. B.....	May	103	108	101	
Five and Ten Cent Store Sales—4 Chains.....	May	128	122	110	
Mail Order House Sales—2 Houses.....	June	134	129	113	
Wholesale Trade—F. R. B.....	May	103	106	103	
<b>Trade—Foreign</b>					
Exports.....	May	118	106	111	
Imports.....	May	114	106	108	
<b>Finance</b>					
Stock Prices—20 Industrials.....	June	182	161	139	
Stock Prices—20 Railroads.....	June	161	133	116	
Number of Shares Traded In.....	June	266	222	171	
Bond Prices—40 Bonds.....	June	109	107	105	
Value of Bonds Sold.....	June	83	71	71	
New Corporate Capital Issues (Domestic).....	June	189	96	72	
Interest Rates—Commercial Paper, 4-6 Month a.....	June	108	102	102	
<b>Wholesale Prices</b>					
U. S. Bureau of Labor Statistics.....	May	98	103	106	
Bradstreet's.....	June	101	104	113	
Dun's.....	June	100	100	106	
<b>Retail Purchasing Power, July, 1914 = 100.</b>					
	May	May	May	May	
	1927	1926	1925	1925	
Purchasing Power of the Retail Dollar.....	61	60	61		
Purchasing Power of the Clothing Dollar.....	59	57	58		
Purchasing Power of the Food Dollar.....	65	62	66		
Purchasing Power of the Rent Dollar.....	59	57	55		

\* Preliminary.

Prepared for Nation's Business by General Statistical Department, Western Electric Company, Inc.

of 22,137,334, leaves an apparent disappearance of 1,820,580 cars, or about 9 per cent of the registration at the beginning of the year and about 43 per cent of the new production. While these estimates are perhaps not absolutely conclusive, they may perhaps be just as close to the fact as are some visible supply returns of leading crops.

Returns of the United States Department of Labor as far back as April showed employment in factory lines at 90.6 per cent of the 1923 average (which is taken as 100) and compares with 92.8 per cent in April a year ago. These returns are suggested as explanatory of the reports that there is, or has been, considerable labor idleness this





## New Channels to Lower Costs

The devastation wrought by recent floods bring pause to vast populations and to plans affecting the welfare of states and cities. The question in all minds is, "Can we rely on the old methods for security?"

In the face of staggering losses, counsel is sought from the best trained minds as to the means that will make life and property safe.

A somewhat similar situation confronts many industries. Prices tend toward lower levels and competition becomes keener. The things upon which industry has relied no longer give security.

New methods in the handling and conveying of materials or new applications of old methods may prove a channel that will lead to lower costs, to satisfactory volume and prosperity.

Bartlett-Snow Engineers have spent many years in developing elevating and conveying machinery. They are in a position to help you determine how and to what extent equipment of this kind will aid in reducing your costs to better meet competitive conditions. You assume no obligation in requesting this service.

THE C. O. BARTLETT & SNOW COMPANY

6500 Harvard Avenue, Cleveland, Ohio

*Skip Hoist for lifting Coke built for  
tube mill in Pittsburgh District.*

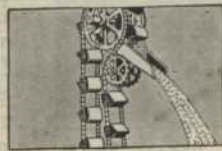
# Bartlett - Snow

Elevating, Conveying,  
Processing Machinery.

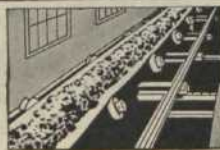
*Serving Industry since 1885*



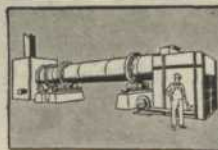
SKIP HOISTS



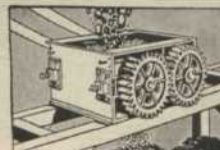
ELEVATORS



CONVEYORS



DRYERS



CRUSHERS



SCREENS



# Life of a Pioneer Merchant

EDITOR'S FOREWORD: *These chapters, from the life of John Wanamaker, are reprinted from Herbert Adams Gibbons' "John Wanamaker," by arrangement with Harper and Brothers, Publishers.*

## IV—THE NEW KIND OF STORE

### By HERBERT ADAMS GIBBONS

**T**HE GRAND DEPOT (Wanamaker's third venture) was formally opened on May 6 of the Centennial year, with two acres of aisles and tables and showcases. An initial stock of half a million dollars, equaling the value of the land, was announced, and Wanamaker was able to advertise:

There is no store in the United States that covers so much ground floor space as our single establishment at Thirteenth and Market, and such a busy scene as it presents is well worth going a long distance to see. Some of our employees are especially detailed to show visitors around who wish only to look, not to buy.

The genius for display, always so marked in Wanamaker, had its first full swing in the Grand Depot. There was elbow room, so much of it that the owner himself was a bit dismayed, though he never confessed it.

#### Impression of the Grand Depot

**B**UT THERE was more to the Grand Depot than the eye saw. Undoubtedly the deep impression that it made was largely due to the new methods of business. In a few cities one price was not unknown, and money back already had its imitators. But to most Centennial visitors, who had not seen or paid attention to the advertisements of Oak Hall and a few other establishments in New York, Philadelphia, and Chicago, the "four cardinal principles" of the Wanamaker business were a revelation.

Wanamaker knew that he would be competing only with himself if he insisted in carrying on at the Grand Depot a mammoth clothing store. Wisely looking forward to the lull in trade that would follow the closing of the Exhibition, he tried hard to get other merchants interested in subletting space in the Grand Depot. Right in the midst of the dazzling success of the summer of 1876 he refused to be deceived, and knew that he had to cast an anchor to the windward.

What was he to do? To sell outright, or to lease independently, any part of the land would be interpreted as a confession of failure. The alternative was to establish under one roof and general

management a number of specialty shops, in which men's and boys' clothing, hats, and haberdashery would form units of moderate dimensions.

Wanamaker did not foresee, because he could not have foreseen, the unlimited future ahead of the general store in American cities, but his instinctive fear that great establishments, doing a varied business, would have difficulty in keeping up in all lines of merchandise a uniformly high standard, was well founded. Because his business experience of fifteen years had had to do with men's wear exclusively, he realized the danger more clearly than other merchants of his time whose general stores evolved from the varied business of dry-goods and notions and women's wear. He had bought haberdashery for Tower Hall. He had been his own buyer at home and abroad for Oak Hall and the Chestnut Street Store. He had studied styles as well as materials and had become a potent influence in taste in clothes in Philadelphia. Could he hope to extend his field to women's wear and house furnishings and still keep the name of Wanamaker a guaranty for the quality and a guide for the style of everything offered for sale in a vast emporium with diversified stock?

He had no intention of creating a department store. The name was always abhorrent to him. He never used it, and throughout his life he stoutly maintained what he announced at the beginning of the experiment, that Wanamaker's was "a new kind of store"—new not only in the cardinal points of merchandising policy upon which it was founded, but new also in the conception of offering shoppers the convenience of making their purchases in specialty stores, grouped in one establishment.

After the Centennial Exhibition closed, and while Wanamaker was quietly studying conditions and seeking his buyers, a beginning was made of catering to women.

Women's and misses' shoes were advertised, and a few weeks later rubber coats. These were the only innovations up to the opening of

"the new kind of store," which was first announced by a double-column advertisement in the Philadelphia papers on March 3, 1877. On Monday, March 12, "the new kind of store" was launched. This date, and not that of the opening of the Grand Depot in 1876, marks the new departure and is the turning-point in the merchant's career.

Throughout that first day Wanamaker remained on the floor, making the rounds of the departments. Taking a trick from the World's Fair, he had doormen to count those who entered. On that first day seventy thousand people came to see "the new kind of store." It was claimed to be a "world's record."

#### The New Departure

**T**HIRTY years later, on the anniversary of the opening of his general store, Wanamaker said:

There is none who can say that there ever was in this or any other city a store like the one we established on the twelfth day of March, 1877.

There seems to be an electric wire running through the years to where I stand that gives me a sensation of mental and bodily vigor. I can see a white lantern swinging before me. The broad principle underlying the foundation of this New Kind of Store has become the American system of commercial life applicable to all business as well as that of retailing. It is a system that recognizes and stands for the rights of buyers not waived by the payment and delivery of the article purchased.

And further, it grants a title to all employees to fair wages and an adjustment at regular intervals upon value of work done. Further, still, it insures education and practice to enable the earnest and diligent to rise in their positions.

Wanamaker was looking back over a generation of achievement. But he must have had in mind, although he did not mention

it, the great battle he fought during the first year of "the new kind of store." It was an experiment of faith, just as Oak Hall had been, undertaken against the advice of friends; and their voices were no more silent than those of his enemies when he was passing through deep waters. It would be giving a false impression to picture Wanamaker going from one success to another, all bright



The Grand Depot, at Thirteenth and Market Streets, Philadelphia, where John Wanamaker used "two acres of floor space" for his merchandise in 1876





# An Easy Way to Recruit Salesmen for Specialties

**If Your Product  
Requires Demonstration  
Sell It Through  
Your Own Direct Representatives**

Thousands of workers are ready to sell  
for you on a straight commission basis.  
Reach them through these magazines

Advertise In

**Extra Money—Opportunity—  
Salesology—How To Sell—  
Spare Time Money Making**

## Advertising Agencies

Here's a wide open field for  
you. Send for sample copies of  
these magazines.



**The DIRECT SELLING PUBLISHERS**  
Two Million Professional Go-Getter Readers Every Month  
565 FIFTH AVENUE . . . NEW YORK





# A land of unmeasured richness

WHEN the flood of agricultural development, moving westward across the Dakotas, touched the green banks of the middle reaches of the Missouri, it halted, spreading north and south through the extraordinarily rich basin that drains into this mighty river. Here ended one of the greatest phases of the long migration westward.

Settlement in this region resulted in the swift growth of such thriving modern prairie cities and towns as Fargo, Aberdeen, Mobridge, Pierre.

Within the last ten years five new bridges have been flung across the middle Missouri. Settlement, halted for a while, is now flowing with increased impetus into the wonderful region beyond where the lofty peaks and green-clad slopes of the Black Hills rise like a lovely, incredible island above the broad prairie, and the upland plains of Montana sweep away to the Rockies.

**AGRICULTURE:** Though the top soil varies in different localities, the subsoil is a free clay, rich in nitrogen and phosphates. The rolling prairieland is highly productive of a wide variety of crops. Corn, the gauge of settled agriculture, increased from 32,000,000 bushels west of the river in 1900 to 145,176,000 bushels in 1924. Some of the best alfalfa and alfalfa-seed land in America. All cereal and root crops for this latitude are grown with great success. Livestock flourish on the range.

**CLIMATE:** A hot summer with cool, refreshing nights. A land of sunshine, with ample rain during the growing months. A dry, clear atmosphere that makes winter stimulating, and keeps country roads open all year round.

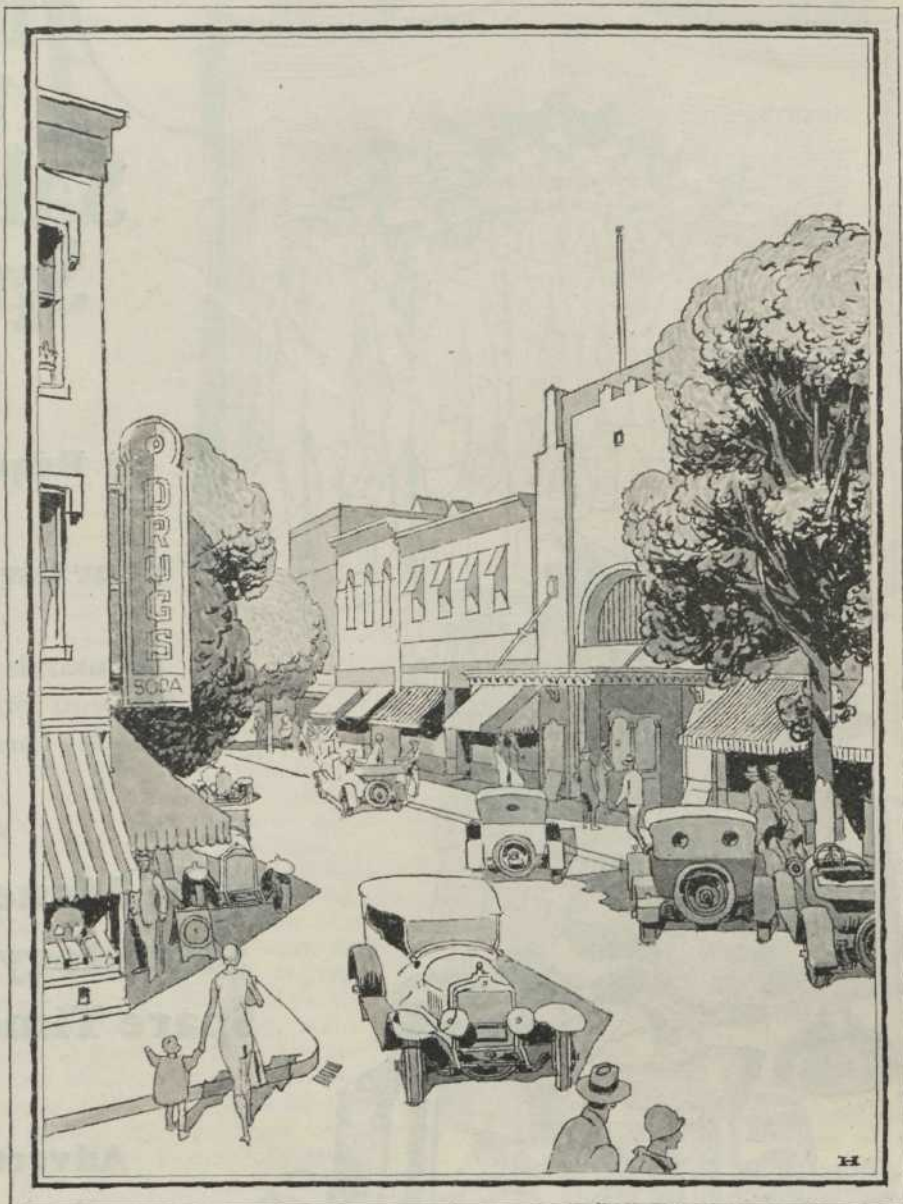
**INDUSTRY:** This region includes the world-famed Black Hills. These mountains—highest between the Rockies and the Alps—are said to contain the richest hundred square miles in the world. Here are the richest gold mine, great timber resources, extraordinary natural beauty, and much untouched mineral wealth. Industries of the larger region include packing, milling, cement.

**TRANSPORTATION:** This country was home-stayed prior to and immediately after the building of the Chicago, Milwaukee & St. Paul Railway which crosses it with four trunk lines.

## A changed race of pioneers

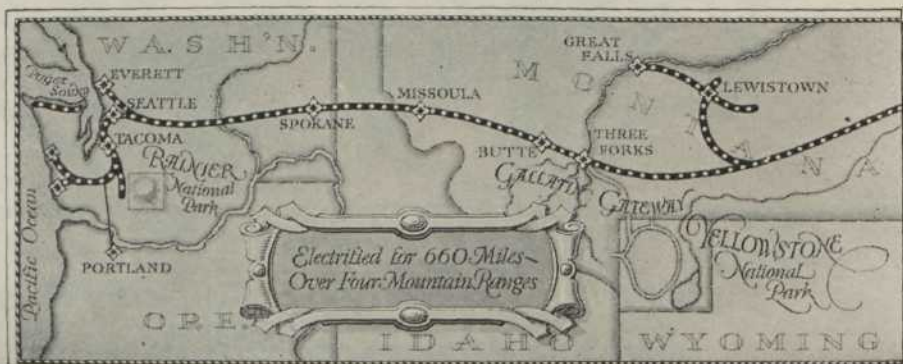
As the Indian became a new ethnic creature with the introduction of the Spaniards' horses into America, so the character of the western pioneer has completely altered with the introduction of modern machinery. The horse changed the Indian from a confined village dweller to a plainsman, free to go where he willed. The development of modern railways, automobiles, state roads, farming implements, household conveniences, magazines and newspapers, telephones and electricity, has opened the wide world to the modern pioneering farmer.

Isolation is gone. The farmer or cattleman who is developing his rich holdings in the upper Missouri Valley today lives in a modern cottage, surrounded by modern conveniences, and in close touch with the outer world.



SHORTEST AND MOST MODERN  
ROUTE TO THE  
PACIFIC AND FAR EAST

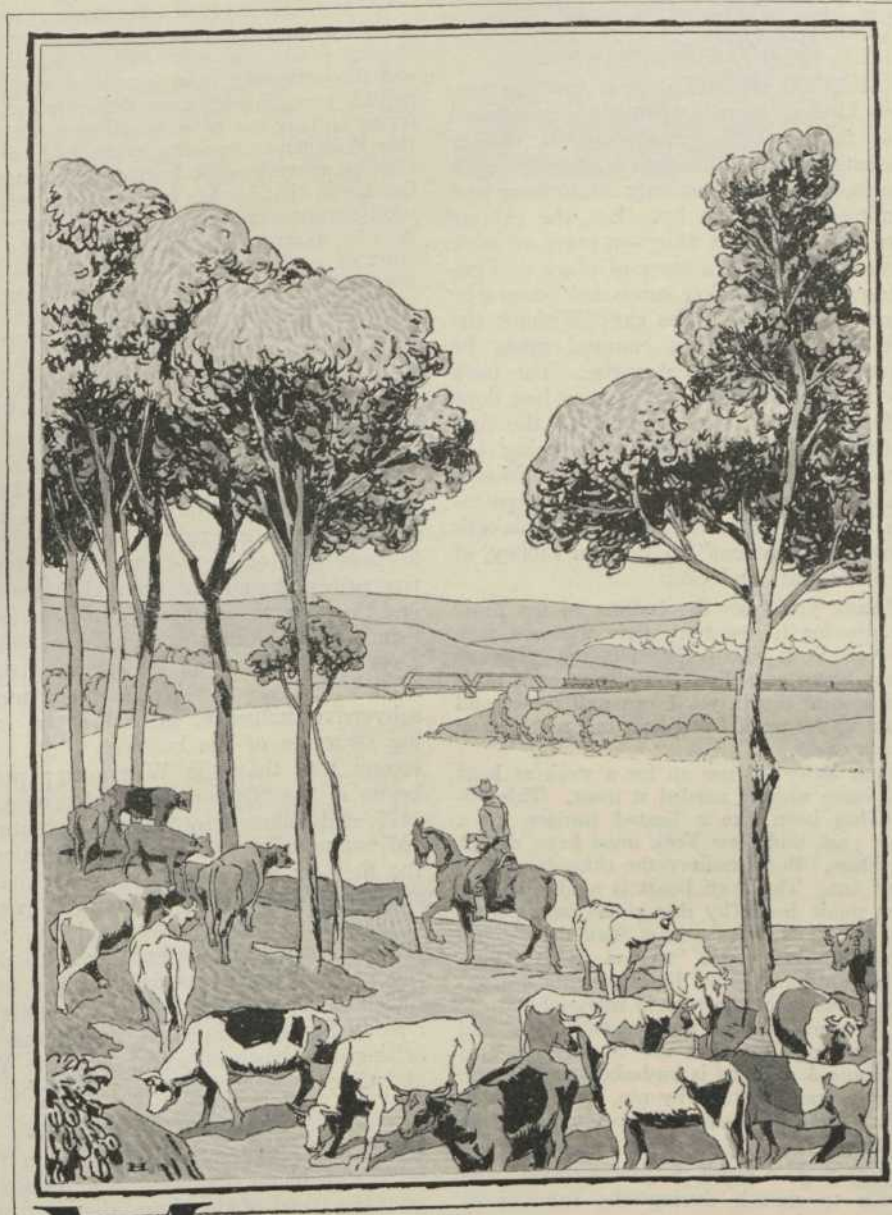
# The



The recognized route between Chicago, Milwaukee and Twin Cities,

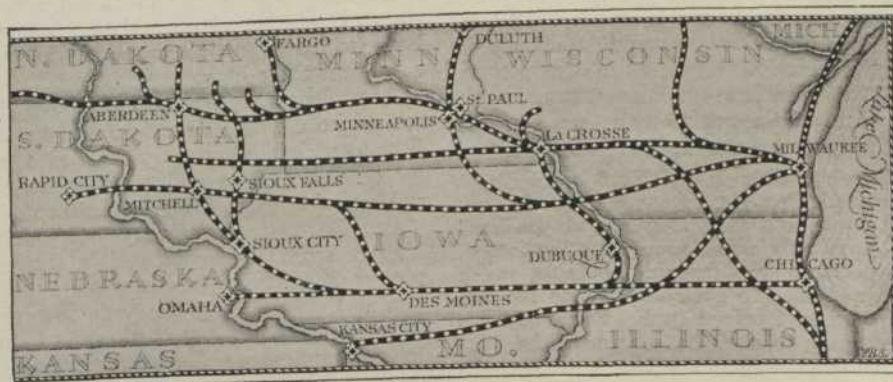


# where the tawny Missouri flows



## MILWAUKEE

## ROAD



Kansas City, Omaha, Des Moines, Sioux City, Butte, Spokane, Seattle, Tacoma

### A highway of steel

NOWHERE has the railroad played a more important part than in opening up this potentially rich region. The uneconomical wagon trains and the slow flatboats were serious handicaps to development. Now, with steel bridges across the river and thousands of miles of track stretching over the plains, the railroad forms the only logical highway both for supplies and produce. The entire region has been drawn close to great market cities.

The Chicago, Milwaukee & St. Paul Railway pioneered here in homestead days. Its trunk lines and feeders are today not only the chief outlets for the upper Missouri Valley, but they form a network over the entire northwestern block of the United States.

The Milwaukee Road extends from Chicago to Kansas City, Omaha, Des Moines, Sioux City; to Minneapolis and St. Paul; to Milwaukee and the upper Michigan Peninsula; westward to Rapid City in the Black Hills; to Butte, Spokane, Seattle, Tacoma, the Pacific.

For 660 miles across four great mountain ranges—Belt, Bitter Root, Rocky and Cascade, to shipside—it is electrified. Another revolutionary development is the adoption by the Milwaukee Road, for the first time in railroad transportation, of roller bearings on passenger cars.

### The road to wonderland

Smooth, comfortable, luxurious travel on trains that are rated among the most famous limiteds in the world will take you through the most diversified and beautiful regions in America. Far-sighted industrial and commercial leaders are traveling this route to the Coast not only for the special delights of the trip, but to study first-hand the trend of development in this richest and youngest quarter of the Nation.



Chicago, Milwaukee & St. Paul Railway  
Room 884, Union Station, Chicago, Ill.

Make a check before the region that interests you. We have the closest co-operation with Chambers of Commerce and other business organizations who will supply you with detailed information.

- |   |   |
|---|---|
| <input type="checkbox"/> Puget Sound              | <input type="checkbox"/> Eastern Dakotas        |
| <input type="checkbox"/> Inland Empire            | <input type="checkbox"/> Omaha—The Western Gate |
| <input type="checkbox"/> Industrial Montana       | <input type="checkbox"/> Minneapolis-St. Paul   |
| <input type="checkbox"/> Kansas City              | <input type="checkbox"/> Wisconsin              |
| <input type="checkbox"/> Agricultural Montana     | <input type="checkbox"/> Iowa                   |
| <input type="checkbox"/> Upper Missouri R. Valley |   |

Name \_\_\_\_\_

Street \_\_\_\_\_

City \_\_\_\_\_ 5-1





## Consolidation Coal is cleaned at the mine

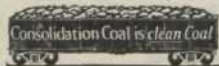
**R**IGHT in the rich coal seam itself the cleaning of Consolidation Coal begins. The same miner who digs it picks it over carefully by hand. He removes all slate, clay, rock and other visible impurities before loading it on the car that takes it to the mouth of the mine. Finally, when it is loaded into railroad cars for shipment, it is carefully gone over by men whose special job is to detect and eliminate impurities.

Consolidation miners are carefully trained in this. They are all imbued with a sense of pride in the company's clean coal tradition.

Such is the story of Consolidation Clean Coal. At the beginning it is rich in heat content and is remarkably free from the constituents which fuel experts seek to avoid. But all this richness would be wasted if it were not protected by the methods of preparation which make Consolidation Clean Coal possible.

These are the reasons why Consolidation Clean Coal invariably lowers production cost when it replaces ordinary fuel.

We will be glad to advise you how Consolidation Clean Coal can be utilized with the utmost economy. Write us for "Booklet K."



## THE CONSOLIDATION COAL COMPANY

INCORPORATED

Munson Building—New York City

BALTIMORE, MD.	Continental Bldg.
BOSTON, MASS.	State Mutual Bldg.
CHICAGO, ILL.	Ill. Mer. Bank Bldg.
CINCINNATI, O.	Union Central Bldg.
CLEVELAND, OHIO	Union Trust Bldg.
DETROIT, MICH.	First Nat'l Bank Bldg.
FAIRMONT, W. VA.	Watson Bldg.
MILWAUKEE, WIS.	830 South Canal St.
NORFOLK, VA.	Nat'l Bank of Com. Bldg.
PHILADELPHIA, PA.	1933 Land Title Bldg.
PORTSMOUTH, N. H.	277 Market Street
WASHINGTON, D. C.	Union Trust Bldg.

Foreign Offices  
LONDON, ENGLAND  
GENOA, ITALY

Sales Agents

ST. PAUL, MINN. North Western Fuel Co., Mer. Nat'l Bank Bldg.  
TORONTO, CANADA Empire Coal Co., Ltd., Royal Bank Bldg.  
GREEN BAY, WIS. F. Hurlbut Company  
Operating Department: FAIRMONT, W. VA.

sunshine. Only fiction is like that. There were shadows in the picture. Wanamaker was no wizard, no Ali Baba provided with an open sesame. For great men and successful men, just as for lesser mortals, there is the arduous traveling along a precipitous route where a misstep may prove fatal.

### First Year Rough Going

**D**URING the initial year of "the new kind of store," we might be deceived into thinking that whatever Wanamaker undertook turned to gold just because he touched it, if we had only advertising and reminiscences to go by. But the private files tell a different story—a story of dark days boldly faced, a story of pluck and endurance. Wanamaker succeeded because he knew how to stand the gaff. Without the aid that he had first counted upon, he plunged into a new enterprise. The pack tried to howl him down, as they had done before, and at the beginning of the first autumn of his general storekeeping the merchant was expected to fail. Wanamaker was not disheartened. On September 3, 1877, he wrote from "Wanamaker's New Establishment" to William Libbey, of A. T. Stewart and Co.:

Thank you from the bottom of my heart for proving to me that there was one man in New York who believed in me. Though I am brave as a lion and strong as a mule and just as tough, yet I can pull better and stand up longer if I can hear one manly man give a cheer.

Your letter set me up for a week at least and came when I needed it most. This village has been like a heated furnace for a week past, and New York must have caught the blaze. But I believe the thing has burnt itself out. The open boast is made and has been made here (by dry goods people that you know) for weeks past that they would spend fabulous sums "to run John Wanamaker out" and every lie that could be concocted has gone the rounds thoroughly.

I have my coat off and am at it night and day—my confidence in the Grand Depot to distribute 5 millions is unshaken, and as you have so grandly stood by me, when I fail to stick by you my name will no longer be Jno. Wanamaker.

Rumors of a crash not only passed from mouth to mouth during the summer of 1877, but they got into the type of newspaper that used to exist a generation ago but which has long passed into history. The newspapers that lived by scandal and blackmail Wanamaker never advertised in. This was their opportunity. The new enterprise was at first ridiculed, and when financial circles began to speak of Wanamaker's difficulties, several Philadelphia papers, which have long since disappeared, so their names have no interest to us, made the most of the critical situation. In one of these, on August 31, 1877, we read:

There's trouble in the big Market Street Wigwam. Protests, extensions, unpaid employes, etc., etc. Not long ago, we predicted that somebody would soon meet the fate of the overambitious frog in the fable, which tried and tried to swell itself up to the size of an ox, and busted itself. Somebody has been trying to swell himself up to the mercantile dimensions of the late A. T. Stewart, and an explosion is imminent. "Twas ever thus!" But, there has been something more than foolish ambition and imprudence in this case. There has been a greedy, grasping and godless spirit at work in the mind of some-

body, prompting him to break down other business and absorb almost every branch of mercantile business in his own establishment. Herein crops out, in a very offensive form, the ambition to imitate A. T. Stewart, who was one of the meanest men and merchants that ever lived. He squelched hundreds of smaller dealers without compunction and ground his employes into the very dust of humiliation and impecuniosity; and his ambitious Philadelphia prototype on a smaller scale has been trying to play the same heartless game. But this Philadelphia merchant has had to cope with some very solid business men, and he has found that he has been butting his poor head against some very stubborn stone walls. He's in danger. He is walking on the thin crust of a volcano which threatens to blow him and his wigwam sky-high, scattering hats and haberdashery, shoes and chemisettes, collars and cuffs, trunks and teapots, lawns and linens, boots and broadcloth, furs and flannels to the four winds.

The ill will and active hostility of Philadelphia merchants had been incurred for two reasons: The first was the fear that the general store would prove to be an octopus, stretching out its tentacles in all directions and strangling the small shopkeepers, who could not meet the competitive prices, the advantages and attractions, and the advertising offensive of large establishments. Retail merchandising had always been carried on by specialty shops. Men with ideas like Wanamaker's were a subversive influence, menacing the existing structure of the business world. The second was that the Wanamaker policy, begun in the "Opportunity Sale" of April, 1877, and followed by "Partial Inventory," "Midsummer" and "Early Fall" sales in the first six months of "the new kind of store," of clearing at a sacrifice existing stocks that had not moved quickly, made a radical change in the existing methods of retailing to which specialty shops found difficulty in adjusting themselves. This had already happened in Paris, and it was upsetting the business world in New York and Chicago as well as in Philadelphia.

### The New Trend in Retailing

**S**Eeking a personal devil whom they might blame for their own failure to read the trend of the times, the small merchants concentrated their animus on Wanamaker. They could not see that he was not responsible for the changed conditions in merchandising. Wanamaker was simply the interpreter of the spirit of the age.

Retailing was to become a science, and the successful merchant and his staff would have to make up their minds to go to school all their lives.

As at Oak Hall, Wanamaker proved himself to be a bold advertiser, and he knew how to make low prices yield a rich profit by quick turnover and by increasing the volume of sales in every department.

On the first anniversary of "the new kind of store" he announced in the newspapers that "the business done at the Grand Depot during the year just closed fully confirms our expectations and settles to the complete satisfaction of the writer all doubts of its success, the facts proving beyond question that never before in one year were so many goods retailed in Philadelphia by one house."

(Copyright, 1926, by Rodman Wanamaker)



Here are two pages from the new Acousti-Celotex book. There are forty-eight pages in the book, which include pictures of Acousti-Celotex installations and of beautifully colored Acousti-Celotex tiles.



ACOUSTI-CELOTEX

This book tells how Acousti-Celotex, a simple sound-absorbing tile, increases office efficiency by quieting distracting noises.

## BANKS AND OFFICES



THERE is a common idea that people can become accustomed to noise—that it is not harmful. Such an idea is far from the truth. Noise distracts attention... worries business visitors... uses up energy and decreases efficiency.

The constant noise in offices can be quieted with Acousti-Celotex. Office routine will show noticeable improvement. Employees will escape the late afternoon slow-down that comes from fatigued nerves.

Private offices also become restful and dignified when Acousti-Celotex is applied. Public areas, corridors and accounting divisions are quieted... phone conversations are easier to carry on... walls and ceilings absorb noises instead of emphasizing them in echoes and reverberations.

One of America's largest banks features in its advertising, "The Quiet of Quiet Coordination." In cities where office space exceeds the demand, rental agents can profit by the business man's preference for locations quieted with Acousti-Celotex.

7

# Do you want less noise in your office?

**B**USINESS executives—here is the book on sound quieting you have been waiting for! It tells how you can obtain less noise and better hearing *without* a complicated installation process. It acquaints you with the simple effective sound-absorbing qualities of Acousti-Celotex.

The first part of the book shows pictures of various Acousti-Celotex installations. Here you see how busy offices and institutions everywhere are gaining new efficiency through the sound-quiet Acousti-Celotex brings.

On the pages following, a typical acoustical problem is analyzed, and a typical

job of room quieting is explained. The formulae and methods used in calculating hearing conditions are stated in a clear manner, reduced to their *simplest* terms.

The concluding pages are devoted to technical information and illustrations showing the pleasing decorative possibilities of Acousti-Celotex. All of this is told so as to be easily understood.

However, if you wish anything explained, write The Celotex Company, and they will instruct their nearest representative to call on you.

Read this book, *now*, then

keep it on your desk or in your files. If you haven't obtained a copy, sign and mail the attached coupon. The book is free.

THE CELOTEX COMPANY, CHICAGO, ILL.  
Mills: New Orleans, La.

Branch Sales Offices in many principal cities  
(See telephone books for addresses)

Sales Distributors throughout the World  
Canadian Representatives: Alexander Murray & Co., Limited  
Montreal

## ACOUSTI-CELOTEX

LESS NOISE—BETTER HEARING

When writing to THE CELOTEX COMPANY please mention Nation's Business

### THE CELOTEX COMPANY

Acousti-Celotex Dept.  
645 N. Michigan Ave., Chicago, Ill.

Please send the new Acousti-Celotex book to

Name.....  
Address.....  
City..... State.....

Nation's Business, 8-27



# Keeping Food Fit the Year Round

"SO FEW people know the truth about cold storage. It was not devised by the capitalist under the inspiration of the devil for the purpose of simultaneously starving, cheating and poisoning the poor, as some maintain. The natural effect of cold storage is to equalize prices by enabling perishable foods to be transported anywhere and kept indefinitely."

The speaker was Col. C. F. Mell, in charge of the Cold Storage Department of Bush Terminal. He continued:

"How long food can be kept in cold storage is not known and will be hard to discover. According to Edwin E. Slosson, Science Service, Washington, D. C., the longest cold storage record tells of some Mammoth meat which was packed away in Siberian ice about the time when the human race began to stand up and lose its hairy hide. This was before there was any law requiring meat in cold storage to be tagged with its date. Therefore we have no means of telling how long ago it was but we say one hundred thousand years and no one can successfully contradict us. At any rate when the Mammoth thawed out, it was sufficiently well preserved to be eaten by dogs and Yakuts."

## Few Understand Cold Storage

COLD storage is little understood by the general public. Take that misunderstood egg, for instance. My personal observation is that eggs held from nine to ten months, provided they are properly stored, will suffer no loss of flavor, of food value or general wholesomeness. To be sure the condition of eggs when stored plays an important rôle. Eggs laid during cool weather keep best and longest. March and April eggs stay until midwinter; June packs are used in autumn and early winter. Experiment has shown that eggs frozen can be kept indefinitely and still retain their original vitamins and potency. The period of cold storage causes little if any deterioration with respect to vitamins. The truth is that eggs kept in cold storage are more wholesome than what is called fresh eggs.

Colonel Mell has made a real contribution to the cold storage field. Thanks to him, "B" batteries can now be manufactured all the year round. By freezing the batteries he suspended all electric reaction within them until such time as they were needed for shipment or use. They were then defrosted and picked up their life again just as though they had been but recently manufactured. This was the solution of a truly difficult commercial problem. It has aided the manufacturer of "B" batteries and flashlight batteries in equalizing production over the year.

Another interesting use of cold storage little understood by the public is, according to Colonel Mell, that of storing rugs, carpets, tapestry and raw silk. If silk is stored at atmospheric temperature, it loses weight and luster due to the evaporation of its moisture and certain volatile matter, but even manufactured articles of silk in delicate colors, if properly placed in

## By IRMA L. WALLACE

cold storage, can be kept fresh and with full luster, and will keep longer after being taken out.

"Cold storage is just in its infancy," continued Colonel Mell. "In the future it will be used to cool our homes, and many a modern home will have its own cold storage room in which will be kept furs, woollens, clothing etc., for as a protection against moths cold storage is certain. In the summer, in place of sending our furs and rugs away, we shall simply turn on the switch in our cold storage room."

## Keeping Candy to Mellow It

"DECEMBER candy, too, depends upon cold storage. December requires four times as much as any other month. Chocolates are manufactured in July and August, shipped in carload lots and placed in cold storage for Christmas trade. This holiday candy is made somewhat different from that which is distributed immediately. It is hard. It demands mellowing or curing without moisture, a slow process that extends three or four months. The candy is then at its best—as delicious as if just made."

"How many people know that cut flowers if held in storage at proper temperature will remain without opening, from two to three months? And when brought out of cold storage, if they are properly defrosted and brought to the right temperature, the buds will open to the appearance of freshly picked flowers. The suspension of the life process by means of retardation in cold storage has made it possible to make flowers and plants bloom at will. Cold storage replaces the natural sleep of the plant by an artificial sleep. Bulbs—lily of the valley, tulips, gladioli and the rest of them—can all be regulated as to when they should bloom."

"Those who have had what they term bad luck in cold storage are those who fail to realize its two scientific essentials: the condition of goods at the time it is placed in cold storage and the observation of a proper stage of defrostation after it is removed from cold storage."

"How many housewives know that strawberries can be kept frozen and by proper defrostation can become 'fresh strawberries' for a winter dinner?"

"How many people in Chicago and the West have, thanks to cold storage, enjoyed fresh cherry pie during January, February, March and April."

"And fresh corn on the cob! You can have it all the year. I keep it for my own use. In July and August I place it in bags in the husk, when it is cheap and plentiful. I freeze it solid and then, when I am ready to use it, defrost it, remove the husk and cook it by the usual method."

"Cold storage is a benefit to all mankind in that it allows a greater variety of food during all periods of the year. Health and longevity are promoted by the free consumption of fruits and the placing of fresh fruits at the disposal of even the

poorest of our citizens during every month of the year will certainly result in a wholesale benefit to mankind. Physicians and scientists who have investigated the subject, unite in praising the modern practice of refrigeration as applied to the preservation of food products. Refrigeration adds nothing, neither does it take anything from the article preserved—not even the water, and it in no material sense alters its quality."

"One hundred years ago Pasteur found that the cause of putrefaction was always the growth of some microscopic plant or animal. Cold storage deprives food of heat. It temporarily puts a stop to the activities of the bacteria and when the food is allowed to come back to ordinary temperature, weeks or months or years later, it is practically restored to its primary condition."

"To supply the necessary temperatures to the 1,000,000 cubic feet of cold storage space at Bush Terminal, we installed two machines of 75 tons refrigerating capacity. The total load utilizes the entire capacity of one machine, the other being in reserve for instant service in emergency. Each machine requires 1,500 pounds of aqua ammonia and 2,200 pounds of anhydrous ammonia."

"There is only one way safely to keep dried fruits and nuts, and that is to put them into cold storage. So much depends upon the temperature, air circulation, proper piling, etc., which the average warehouseman does not dream about but which is essential in cold storage. Proper cold storage causes no change in appearance or taste but leaves the meat or dried fruit, nuts and other substances exactly as in the original condition, while it renders them neither less nutritious nor less digestible."

## The Care of Goods Stored

"A COLD storage house successfully operated and managed will supply a uniform temperature at the proper degree throughout the storage season. It will regulate the humidity at the proper point and will supply air properly cooled to force out the accumulated gas. The storing of unsuitable, imperfect and inferior goods has led to much misunderstanding between the customer and warehouseman. Both should be familiar with the condition of the goods they are handling, the different stages of ripeness, quality and liability to deterioration. If more attention were given to the proper handling, grading, picking and packing of goods before placing them in cold storage, much misunderstanding would be avoided."

"The success of the American in handling perishable goods on a large scale in France opened the eyes of the French to the possibility of the process. Since the war the French government has changed its policy and is drawing largely upon Tunis, Algeria, and Senegal for its food. France now imports some 300,000 tons of meat per year from her colonies and Brazil."



## *Rubber Profits* ... for your business!

Rubber profits come from increased fleet capacity. Capacity to do more work per day. Capacity to do more work on each set of tires. Capacity to maintain better hauling and delivery schedules. Capacity to earn more money and build more good-will.

It's a big question—this question of tires. It goes deeper than the cost of tires alone. But wherever you dig into it—you find the advantages of Goodrich equipment—and the Goodrich policy of building the right tire for every job.

THE B. F. GOODRICH RUBBER COMPANY  
Established 1870 Akron, Ohio  
In Canada: Canadian Goodrich Company, Kitchener, Ont.

# Goodrich

## FOR TRUCK TIRES

*When buying GOODRICH TIRES please mention Nation's Business to the dealer*





# Tradition yields to Research

Even with generations of experience in production—the leaders of industry find that research leads to constant improvement. The part which chemistry plays in the business field is growing ever more important.

Year by year the exhibits at the Chemical Industries Exposition show an increasing volume of exhibits of special interest to industrial executives. This year's exhibits promise to break all previous records.

No man in any industry can be sure that he is keeping abreast of progress unless he attends this industrial exposition—the outstanding educational event of the year.

Better make a note of the date right now and arrange your plans so that you can attend.

**Eleventh Exposition  
of Chemical Industries**  
*Grand Central Palace, New York*  
**Sept. 26 to Oct. 1, 1927**

*Management International Exposition Co.*  
*Largest industrial exposition organization in the world*

①1035

## Recent Federal Trade Cases

THE COMMISSION released a statement respecting a trade practice conference held at San Francisco, California, August 2, 3, and 4, 1926, for the butter, egg, cheese, and poultry industries west of the Rocky Mountains. Two hundred and twenty-two firms, handling between 80 per cent and 90 per cent of the volume of these products, voted on the resolutions.

At the request of the industries the conference was called to permit the industries represented to formulate for themselves rules of business conduct which would result in defining and prohibiting practices recognized as unfair both to the public and to the industries.

The advantages resulting from members of an industry abandoning unfair practices voluntarily and simultaneously on a given day have commended the trade practice conference procedure both to industry and to the public. This is evidenced by recent legislation which incorporates into the statute law of California any Federal Trade Commission Conference rules which may be made with respect to produce exchanges.

The rules have been rearranged into two groups. In the first group are rules which, in the opinion of the Commission, are unfair methods of competition. These include practices such as inducing breach of contract for the purpose of acquiring values created by and belonging to a competitor; false testing of butter fat bought from farmers; unauthorized use of competitor's equipment; making false or defamatory statements concerning business policies or methods of a competitor; securing employees of common carriers to divert shipments (probably violations of the Elkins Act); obtaining information from competitors by false impersonations of names or authorities, by espionage, etc.; paying a less price after shipment has been received than was named in the advertisement or other offer which induced the shipment; price discrimination and the giving of gratuities when such gratuities amount to price discriminations, and selling products short of weight or measure.

In the second group are placed practices of a kind which at this time are regarded as advisory to the Commission. In other words, practices which perhaps are not, in and of themselves, unfair methods of competition, or which are doubtful, but such as the industries may voluntarily discontinue if they so desire.

These relate to such practices as failure to deduct transportation costs from prices charged for commodities shipped to creameries; buying and selling dairy and poultry products according to grade, and rules relating to exchanges.

The Commission approved and accepted, on June 7, 1927, the resolutions in Group I which now become the rules of business conduct for the industry on the subject covered. Group II is accepted as advisory to the Commission.

THE COMMISSION has transferred the work of its export trade division to its legal division.

No part of the work heretofore conducted by the export trade division will be lessened or abandoned by this reorganization. On the other hand, the Commission is of the opinion that the supervision of the work, which involves many legal questions, by its chief law officer will result in a more efficient administration of the Act.

THE COMMISSION, effective June 15, 1927, amended its rule of procedure regarding hearings before the Board of Review.

The new rule provides that before complaint is issued in any case there shall be an informal hearing which shall not involve the taking of testimony. The extent and control of such hearing shall rest with a majority of the Board. The respondent shall have three weeks' notice of the time and place of hearing, to be served on him by the Secretary of the Commission.

"If in any case the majority of the Board shall be of opinion that a hearing is not required

**PROCEEDINGS** before the Federal Trade Commission, or related to its activities, for the month are recorded here. The most significant items are:

**Statement of findings at Pacific coast butter, egg, cheese, and poultry industry Trade Practice Conference.**

**Export Trade division work transferred to legal division.**

**Rules of procedure before Board of Review amended.**

because (1) the respondent has been fully interviewed and has given to the examiner every fact or argument that could be afforded as a defense; or (2) the practice has been fully established and is of such character that in the nature of the case nothing could be adduced in mitigation; or (3) to delay the issuance of a complaint to afford a hearing might result in a loss of jurisdiction; or (4) otherwise unnecessary or incompatible with the public interest, the Board may transmit the case to the Commission, via the Docket Section, with its conclusions and recommendations, without a hearing as in this rule provided."

THE COMMISSION has directed a cigar company of Windsor, Pennsylvania, and an individual trading as a company, also of Windsor, and an individual in Baltimore, Maryland, to discontinue the use of the word "Havana" as a brand name on cigars having a domestic filler.

The Commission found that the cigar containers carried an illustration of a military academy cadet with the word "Havana" above the picture and "Cadet" below. Since the cigars have been made by the company, the inscription "Imported Sumatra Wrapper—Domestic Filler" has been added in smaller type.

The findings conclude that the word "Havana," when applied as descriptive of a cigar, signifies to the trade and to the consumer that such cigars are composed wholly—filler, binder and wrapper—of tobacco grown on the Island of Cuba, and that the use of the word "Havana" by the respondents on cigars containing a domestic filler resulted in deception of the trade and consumers and was unfair to respondents' competitors.

The Commission ordered that the company cease and desist from using the word "Ha-



# SECRETARY HOOVER

## on this new factor in business

"... We found that the lumber dealers were able to carry on their business with approximately four billion less board feet in stock than six years ago, estimated to be a saving of over \$200,000,000 of capital in that one industry."

*From a recent speech made at a meeting of the Atlantic States Shippers Advisory Board*

WITH this one amazing example Secretary Hoover illustrated the importance to business of his statement that "in so short a time as five years we find the country equipped for the first time with completely adequate transportation," which gives business and industry "the complete confidence that they can receive supplies on demand."

To play its part in this great business revolution the Pennsylvania Railroad has put all of its regular freights on schedules as rigid as those of swift Limited passenger trains.

For several months now the 60 leaders of this fleet of freight trains have kept those schedules over 95% of the time.

Now industries which ship or receive freight over the Pennsylvania can cut inventories to the bone, can

speed up turnover, can schedule their supplies of materials and parts, the distribution of finished products as definitely as they schedule the production plans of their own factories.

*What has caused the  
"Silent Revolution"  
in railroading?*

Enormously increased operating efficiency, of course; but equally important has been the close, friendly cooperation between shippers and carriers.

Working as a group, through the Shippers' Advisory Boards, and individually, through the careful, understanding cooperation of Industrial Traffic Manager and Railroad Freight Representative, car shortages have been practically eliminated, congestion avoided, and the whole machinery of transportation speeded up.

Among the famous Pennsylvania freight trains whose regular, dependable performance has earned them distinctive names are:

"THE THOROUGHbred"  
*Live Stock*

Indianapolis to Pittsburgh  
and Seaboard Cities

"THE CHAMPION"  
*Perishable Merchandise*

Pittsburgh to  
Wilkes-Barre

"THE BIG SMOKE"  
*Merchandise*

Columbus to  
Chicago

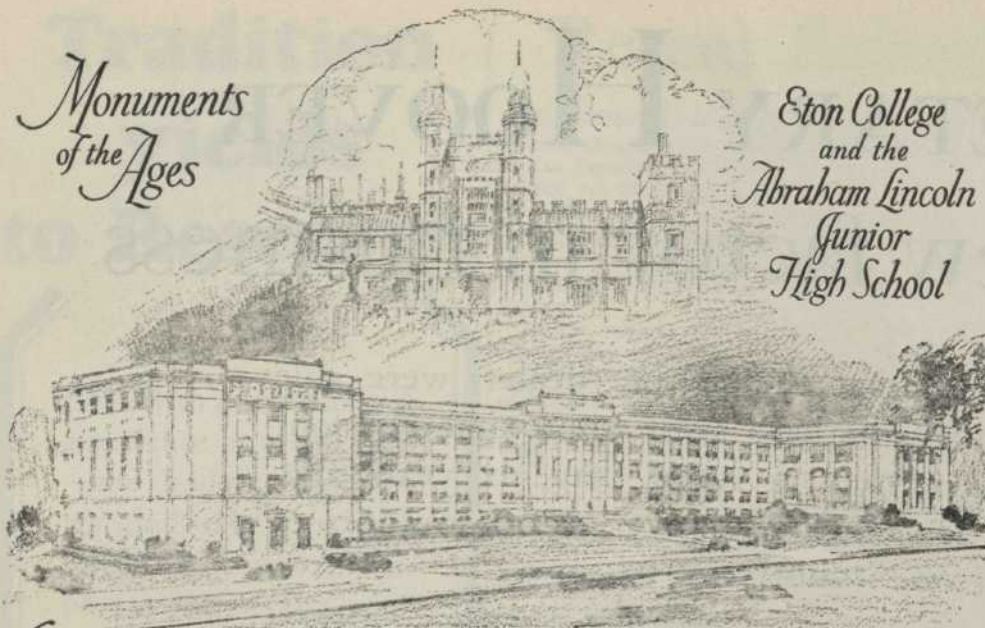
# PENNSYLVANIA RAILROAD

*Carries more passengers, hauls more freight, than any other railroad in America*



## Monuments of the Ages

## Eton College and the Abraham Lincoln Junior High School



Elevator Entrances, Metal Doors  
and Trim by Dahlstrom

THE ABRAHAM LINCOLN JUNIOR HIGH SCHOOL  
Rockford, Ill.

Architects: PETERSON & JOHNSON, Rockford, Ill.

General Contractors: HOLMQUIST-PETERSON CO.  
Rockford, Ill.

ON the banks of the historic Thames rises the stately pile of "The King's College of Our Lady of Eton beside Windsor," founded by Henry VI and dedicated to the education of Britain's youth since 1440. Now, at Rockford, Illinois, another great school is being erected—The Abraham Lincoln Junior High School—to care for the training of eighteen hundred young Americans.

In this huge building are more than three acres of floor space—class rooms, library, stage and auditorium, gymnasium and swimming pool, community room, cafeteria and kitchen—every facility for teaching, health and entertainment. Architecturally magnificent, the six monoliths of its center pavilion are the largest one-piece stone columns ever quarried in this country.

In keeping with its lasting merit of design and construction, the metal doors and elevator units of the Abraham Lincoln Junior High School are Dahlstrom. Dahlstrom Metal Equipment combines artistic dignity with the rugged serviceability so necessary in schools.

DAHLSTROM METALLIC DOOR CO.

INCORPORATED 1904

JAMESTOWN, NEW YORK



# DAHLSTROM

### Branch Offices

NEW YORK  
475 FIFTH AVE.

CHICAGO  
17 SO. LASALLE ST.

DETROIT  
1331 DIME BANK  
BUILDING

Representatives in  
principal cities

vana" unless the cigars are composed entirely of tobacco grown in Cuba. (Docket 1301.)

THE COMMISSION has directed a chemical laboratory in Chicago and a publishing company in New York City to discontinue the use and publication of false and misleading statements in the advertising of the laboratory carried by the publisher.

The laboratory asserted in its advertising, according to the Commission's findings, that any one may be freed from every ounce of unwelcome flesh, and that getting thin is made pleasurable simple and easy for any one by simply applying its product, a cream that dissolves all excess fat by a harmless chemical reaction. The Commission found these statements to be false.

The Commission found also that the publishing company, by publishing the fraudulent advertising, knowingly became a party to the scheme for defrauding the public.

The foregoing practices were found to be unfair to competitors who advertise professional advice for reducing excess flesh.

The Commission ordered the company to cease and desist from selling its cream in interstate commerce. (Docket 1393.)

Copies of the Commission's complaints, respondents' answers, and the Commission's orders to "cease and desist," or of dismissal may be obtained from the offices of the Editor of NATION'S BUSINESS, Washington, D. C., without charge by reference to the docket number. Transcripts of testimony may be inspected in Washington, or purchased at 25 cents a page from the official reporter, whose name is obtainable from the Commission.—The Editor.

## Showing the Cub How to Do It

By THOMAS L. MASSON

"THERE'S a man outside to see you," said Langford's secretary, handing him a card covered with coarse type, "about your roof."

"Oh, yes; that roof. Show him in."

"I represent the Celestial Amalgamated Roof Company," said the man, planking himself down in a chair. "Your roof is in terrible shape."

Langford set his teeth in a cigar.

"How do you know it is?" he said.

"Been looking at it. Stick your finger right through it."

"Who told you to do that?"

"Well, sir, it's to your interest for us to examine it. We're looking after your interest. We do it to protect you. We are the largest roofing company in the world, I should say. Guarantee you for fifteen years. Know the Pilet House? Here's a photograph of their house—before and after. See the difference! Like to have you look over these figures."

"What's that paper?"

"That's the contract." While talking the Celestial visitor had pulled out a blue document from a bulging brief case.

"Hub. What's your estimate?"

"Cost you \$1,200—that includes everything. Written guarantee for fifteen years. Just sign this, right here on the dotted line, and we'll start in tomorrow."

"I'm not interested."

"Not interested! My dear sir. First rain storm—"

"I'm not interested."

"You're a business man. We get—"

"Get out of here. Beat it!"

Langford rang for his secretary.

"Look here, Madge, if any more of these



roof crooks come in, tell 'em I've already made arrangements. I won't see them. I'll swim first."

"But, Mr. Langford, you told me. Didn't you say you needed a new roof?"

"Yes, yes, yes, yes—of course I need a new roof, but—Oh, don't bother me. I'll wait."

"Well, there's another man out there— young fellow—quite different from this one. He seems nice. I really don't think you'd mind." (Pause.)

"Oh, well, I might as well get it over with. I'll see just this man. But if any more—"

"Good morning, Mr. Langford."

"What's on your mind?"

"Nothing at all. I was doing work out in your neighborhood, and somebody said you might need a new roof. That's my work, you know, so I took the liberty of taking a squint. Of course, if you don't—"

"Is my roof in bad shape?"

"Not at all. Might be a good deal worse. Had any leaks?"

"Oh, a couple."

"We can take care of those. You might go along for some time. Of course, it would probably be better to get the whole thing off your mind. I reckon you wouldn't bother with a thing like that. But it's just as you say. Oh, by the way, Mr. Langford, while I remember, one of your copper leaders is disconnected with the soil pipe on the northeast corner. I happened to notice it. I'll send a man to fix it if you like. It doesn't amount to anything, but you might get water in your cellar."

"Well, Mr. Langford, I won't keep you. Your secretary has my name. Thank you for the interview. Good morning."

"Wait a minute. When can you start work?"

"Why—I don't quite know. We're busy just now. I'd make a special effort in your case, naturally. Oh, we might within a week."

"Did you make an estimate?"

"Why, yes. I had our foreman look at it. We are working there now. He figures it \$1,200. Not any more, and it might be less. Sometimes we can save money on a job like that. We only render a bill for what we do, allowing for our profit."

"Do you guarantee it?"

"Oh, sure—at least for fifteen years; I've known our roofs to go for twenty years—depends on weather conditions—but fifteen anyway."

"Don't you have a contract?"

"Oh, that part—sure! I tell you what, Mr. Langford. You'll have to look us up anyway. I'll hand your secretary the contract form; you can go over it at your leisure, and if it's satisfactory in every way, just mail it back and we'll start. Or have your secretary give me a ring, and I'll be right around. Well, good morning, sir."

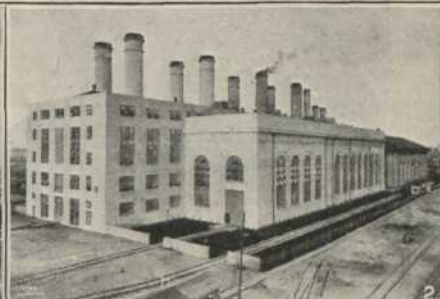
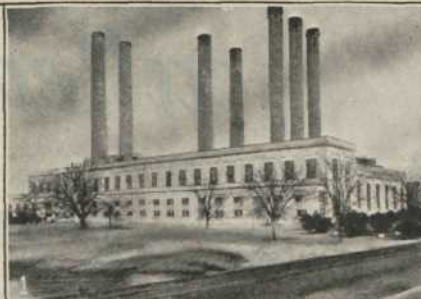
"Hold on a minute. What's the name of your firm?"

"The Celestial Amalgamated Roofing Company."

"What! A representative of that concern came in here to see me just now."

"Yes, yes. Nice man, isn't he? One of our oldest salesmen. He's just breaking me in."

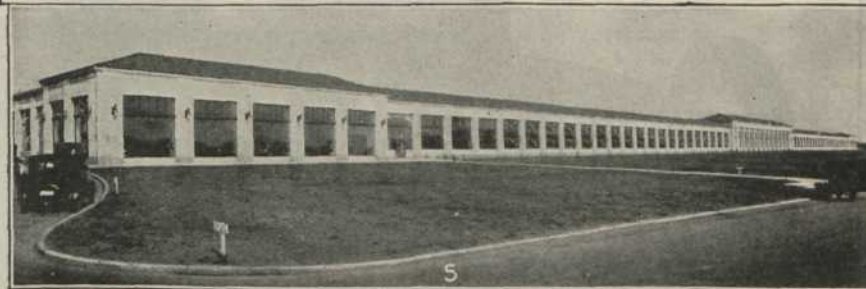
## STEAM POWER STATIONS



## WATER POWER DEVELOPMENTS



## INDUSTRIAL PLANTS



## OFFICE BUILDINGS



### RECENT WORK

1. Bennings Station, Potomac Electric Power Co., Washington, D. C., 75,000 Kw. Extension
2. Long Beach Station, Southern California Edison Co., Los Angeles, Cal.
3. Bartlett's Ferry Development, Columbus Electric & Power Company, Columbus, Ga.
4. Baker River Development, Puget Sound Power & Light Co., Seattle, Washington
5. Twin Cities Plant, Ford Motor Company, St. Paul, Minnesota
6. The First National Bank of Boston, Buenos Aires Branch, Buenos Aires, Argentine

# STONE & WEBSTER

INCORPORATED

Boston, 49 Federal Street  
New York, 120 Broadway

Chicago, First National Bank Bldg.  
San Francisco, Holbrook Bldg.

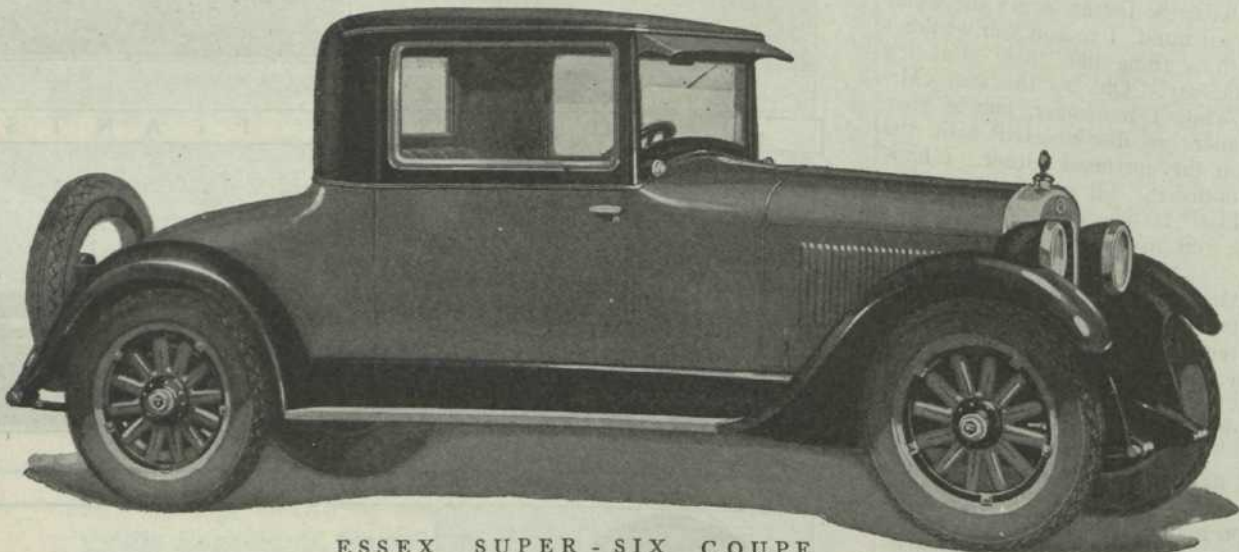
Pittsburgh, Union Trust Bldg.  
Philadelphia, Real Estate Trust Bldg.

When writing to STONE & WEBSTER, INCORPORATED, please mention Nation's Business

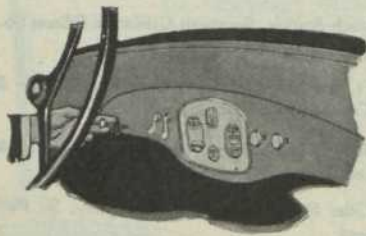




*Fleet Buyers*  
called it ~ ~  
"Greatest

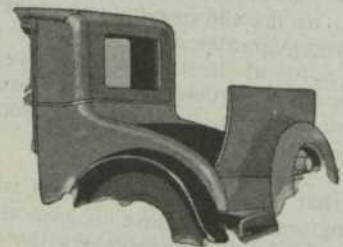


ESSEX SUPER-SIX COUPE



The starter on the instrument board gives quick, sure starting in all weather, and is especially convenient for starting on hills.

The roomy rear deck of the Essex Coupe gives ample carrying space for baggage, sample cases, and even sizable packing cases.



# ESSEX

When buying an Essex Super-Six



# Business Car"

**So now a new fleet policy that must interest every buyer of business transportation**

**A fleet business in Essex cars grew up spontaneously without special effort on our part. Its size and importance compelled investigation. And fleet buyer after buyer, purchasing transportation on an expert business basis, told our representatives: "Essex is the greatest business car in the world."**

Their reasons are the same that account for the popularity of Essex with the individual owner—value, economy, smooth six-cylinder performance with lowest operation and maintenance cost, long-wearing reliability, and riding and operation ease that make a day of driving through city traffic or fast cross-country going with ease to car and comfort to passenger.

Now we place at the disposal of business car buyers and users a "fleet policy" and a fleet sales service comparable to the car itself, and designed to give added value to Essex as a business car. This development is the result of months of research and investigation covering large and small fleet and business car operation in every part of the country. The compiling of data, the charting of costs, the selection and training of qualified sales engineers to discuss business transportation with business men and transportation experts on an informed basis.

The information we have collected, we believe, is so broad that it fairly generalizes even the "special problems" of business car users. This is at your disposal without obligation. Also without obligation our representatives will discuss with your experts any prob-

lem of costs, maintenance, management and methods of purchase, and bring to that discussion an equipment and knowledge of fleet and business car operation that would make the exchange of ideas profitable.

Although other Essex types are frequently used in business, the Coupe is especially designed and provided with every utility for that service. It is low-slung, roomy, comfortably arranged for the driver. There is no easier riding car regardless of size or cost. The rear deck provides unusually large carrying space. The controls are simple and easy. Starting is quick and sure in all weather. It has an exclusive high-compression anti-knock motor that turns waste heat to power—the most powerful we know in the world per cubic inch of piston displacement—and the most economical for the results it gives. We will gladly show you service figures that we think will prove it the most economical to maintain. Our sales engineers will demonstrate a simplicity and ease of maintenance that are nowhere duplicated. Oil consumption and tire wear are the lowest of any car we know.

One of our sales engineers is near you. Write or wire, and he will call promptly

**HUDSON MOTOR CAR COMPANY, *Detroit, Michigan***

# *Super-Six*



# What the World of Finance Talks Of

**I**N MANY staple lines, the basic 90 per cent of the volume may always be definitely counted on. It is the last 10 per cent that distinguishes prosperity from recession.

As business enters the dog days, there is little evidence of an industrial boom. As a matter of fact, nearly every company is facing a battle royal in its attempt to keep volume up to last year's high level. As profits fall somewhat below the 1926 peak standard, there is widespread grumbling. But, when comparisons are made with years prior to 1926, the current melody of business statistics becomes far more tuneful.

The strange, unseen force, which, ghost-like, has plagued most men of business for many months, is the further deflation of wholesale prices. In general, to hold goods on the shelves has been to suffer depreciation. Accordingly, the zest for rapid turnovers became abnormally sharpened. Perhaps never before have business men so energetically exploited their opportunities. Sales have been bought and paid for with the best intellectual energy that business could command; profits have not rolled in easily.

**T**HE BASIC character of the price influence is illustrated by retail sales in the late spring. The Federal Reserve Bank of New York reported a drop of nearly 4 per cent in wholesale trade-sales in May compared with the corresponding month in 1926, yet, inasmuch as there had been a 5.25 per cent drop in the general price level in the year, the bank hazarded the opinion that "the presumption therefore is that the actual quantity of goods sold has been nearly as large as last year."

If car loadings are a reliable index, the physical volume of business in general in the first half of 1927 compared favorably with that in the first half of 1926. In the first twenty-five weeks of the current year, 24,308,520 cars have been loaded with revenue freight on the railroads of the United States, compared with 24,003,789 in 1926, a gain of 1.6 per cent, and with 23,135,317 in 1925, an increase of 4.2 per cent.

At the approach of the annual harvests, the most hopeful sign on the trade horizon has been the recent relative rise in the prices of farm products—cereals and cotton—which will, if continued, strengthen the purchasing power of the rural classes. Another source of tonic will probably come later in the year from heavy buying for the reconstruction of the devastated flooded area.

**G**OLF is losing out as a business getter. Since the habit of playing has become nearly universal among executives, mere common interest in the sport no longer brings individuals together. Devotion to the game has become so general that it has lost its competitive advantage as a business asset to a large extent. In the early days of the ancient Scotch game, when golf players were few in number, a common interest in the same hobby made buddies out of bankers and customers, lawyers and

By MERRYLE STANLEY RUKEYSER

clients. Now golf—like all non-business activities—serves merely to create an attitude of friendliness and to break down the formality of purely business contacts. But a mere capacity to play golf is no longer enough to bring in business. In this sense, the collateral advantages of golf have been diminished because the sport has been overdone. Popularity breeds innocuousness.

Incidentally, the tremendous expansion of facilities for playing golf in this country is tending to keep many men of wealth, who formerly went abroad each year, at home during the summer.

**B**USINESS volume holds up because consumption, under the spur of high-powered selling zeal, remains on a high level. Profit margins, however, are tending to diminish as a result of the growth of competition, which springs from the fact that America is apparently industrially over-equipped in numerous staple lines as a result of the war-time expansion. The full effect of this superabundance of productive power is just manifesting itself as the country escapes from abnormal war-time stimuli. Between 1922 and 1926 the condition was modified by the tonic effect of rising commodity prices, which recovered from the earlier post-armistice deflation. In the last twelve months, however, commodity prices have become stabilized, with a slightly lower trend. Moreover, from 1923 to 1926, business was enormously stimulated by the use of a credit pulmotor in the form of the extension of the instalment system. In the phrase of John E. Rovensky, first vice-president of the Bank of America, New York, the partial payment plan entails getting the hen to lay tomorrow's egg today. Eventually, however, as the system becomes part of the regular mode of doing business, the hen gets back to normalcy and lays only an egg a day.

**P**OLITICAL scientists in the halls of Congress frequently refer to the Wall Street viewpoint. As a matter of fact, there is no Wall Street viewpoint. There is a great diversity of opinion in the financial districts concerning the varied aspects of life and living. A banker whose office is in the shadow of Wall and William Streets told me that he thought that something radical should be done for the farmers.

"I agreed with every word that President Coolidge wrote in vetoing the McNary-Haugen bill," the financier remarked, "but we are doing uneconomic things for the city folk in the tariff and the restriction on immigration, and only some artificial stimulus, such as a subsidy on farm exports, can bring the farmer into a position of equality. If every one on this street wears stilts, I would have to put them on too if I wanted to look into the eyes of other people."

He added that America could afford to pay still higher wages, but said the increases should go to toilers on the farm and to white collar workers.

**T**HE STOCK market has become so complex that it defies efforts to reduce it to a single formula. As the Dow Jones average of twenty representative industrial stocks touched unprecedented peaks in recent months, many speculators and investors stood by and witnessed a substantial decline in their own holdings. Accordingly, they wondered what all the shooting was for concerning the prolonged spell of bull markets. The Street has really witnessed a selective market, with a disposition on the part of operators to switch to the shares of dominant companies. The success of General Motors and United States Steel was exceptional rather than representative.

Erwin Rankin, vice-president of the Manufacturers & Traders-Peoples Trust Company, at Buffalo, asserts that the commonly used averages tell a misleading story. Referring to the period since the beginning of 1925, the banker asserts:

"The rise in the market as indicated by the Dow Jones stocks during the period has been one of 50 points or a percentage increase of 42 per cent, whereas the average of all stocks listed on the exchange and weighted in accordance with the actual amount listed has risen only 4½ points, or an increase of only 7 per cent. The time element also differs greatly, the Dow Jones average being at its peak on June 1, 1927, whereas the listed share average reached its highest point more than a year and a half ago since which time it has been declining."

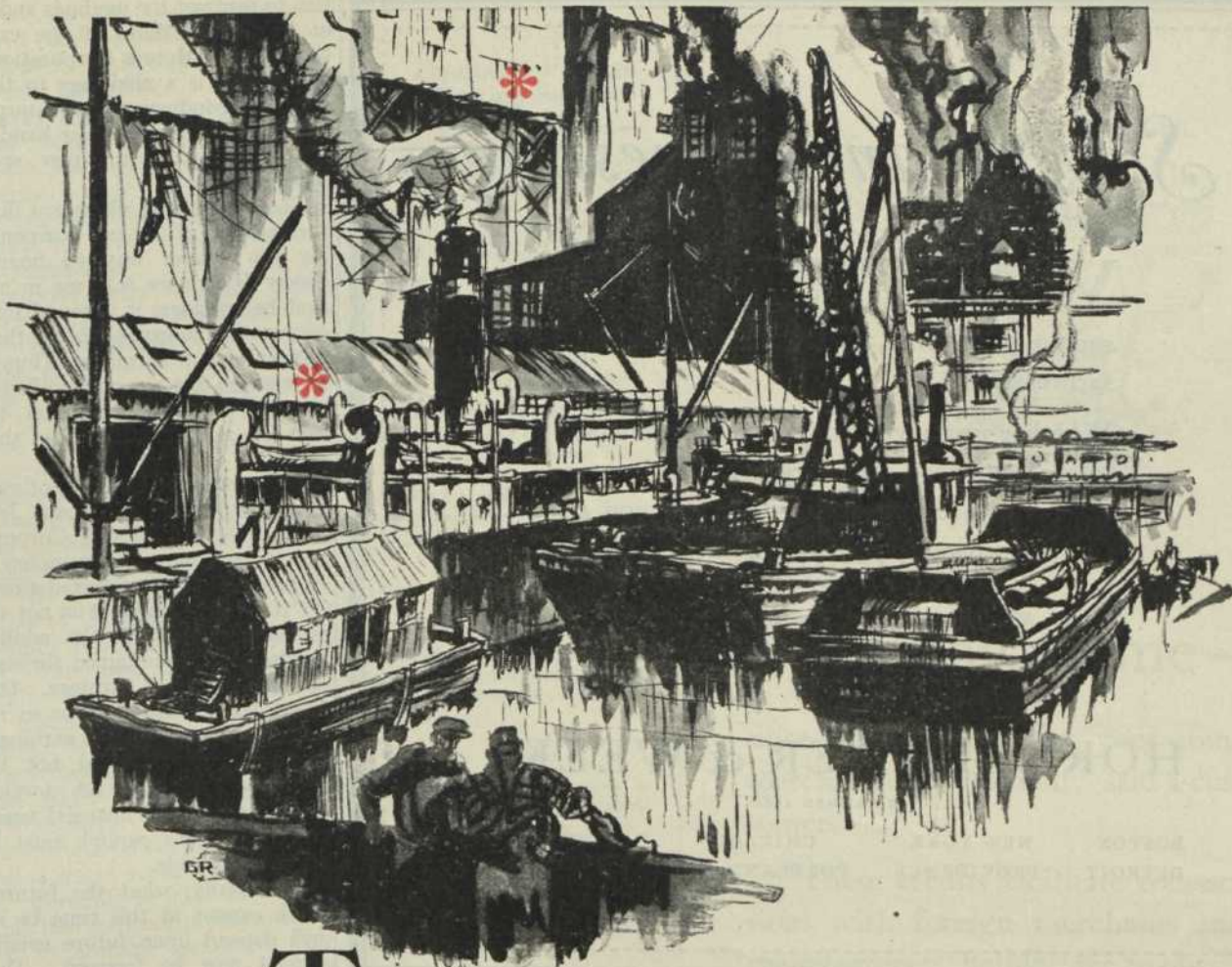
**U**PWARD movements in individual stocks have been facilitated by extensive pool operations, which have fed on the abundant supply of available credit. Pool activities can put stocks up, but only intrinsic values, as measured by assets and earning power, can keep them up.

The early summer reaction in the bond market represented a mere temporary spell of indigestion, following the attempt to assimilate an unprecedented diet of new security offerings. The best judgment in the Street still is that the long term upward movement of high grade bonds has not yet fully run its course.

**W**HATEVER Henry Ford says is news. No other business man in America gets as much publicity. Many wonder why this is so. One explanation is that the sage of Dearborn has a four-letter name, which is the delight of harassed headline writers. There is, however, more substantial reason for the affinity between the Michigan manufacturer and the press. Mr. Ford is a nonconformist, who plays a lone hand. In the nature of things, therefore, he is unusual. Moreover, he times his announcements in such a way as to create the most dramatic effect. In this regard, he is a counterpart in business of the late Theodore Roosevelt in politics.

Since Chevrolet sales began enormously to cut into the Ford volume as early as December, 1925, there has been a disposi-





# The unseen fire\* that takes its toll from industry

This fire is rust . . . more treacherous than flames. Wise business men guard against it by using *Armco* ingot iron.

**R**UST is a fire that gives no warning. Day in and day out it attacks the costly tools of industry all unseen.

Not until busy equipment is destroyed . . . production held up . . . and repair crews are finished with their work, can loss from rust fire be computed. And all too often it is written off in depreciation figures that might have been profits.

That is why more and more of America's biggest industries are protecting their huge equipment investments by specifying *Armco* ingot iron for all sheet metal work.

No other metal gives such long time, low-cost service on the roof and in the walls of factory buildings . . . in

tanks, stacks, and boilers. And where equipment is exposed to unusually severe conditions, as in mines, railroad cars and coal-handling machinery, the use of *Armco* ingot iron has proved a special economy.

For this iron is practically free from the impurities that hasten rust in steel and other irons. The *Armco* Triangle stamped on every sheet of metal is your best ally in fighting rust. It identifies the purest iron made.

*Armco* ingot iron is saving thousands of dollars by putting off repairs for years. And when they are necessary the job goes faster because this iron is unusually ductile and easy to work. Isn't it poor economy to build with less enduring metal when sixty cents of every dollar on a sheet metal job is spent for labor?

**And in the HOME...** Home owners and builders, too, are saving the cost and annoyance of frequent repairs. They are insisting on galvanized *Armco* ingot iron for gutters, downspouts, flashings, metal lath . . . and other metal parts about a house. Here, *Armco* ingot iron offers a double protection against rust. For it takes and holds a coat of zinc much purer than the galvanizing on steel. Look for the sheet metal shop in your neighborhood that displays the Ingot Iron sign.



THE AMERICAN ROLLING MILL COMPANY  
MIDDLETOWN, OHIO

Export—The Armco International Corp.  
Cable Address: "Armco—Middletown"



**ARMCO**  
INGOT IRON  
**RESISTS RUST**

\***RUST-FIRE!** The only difference between rusting and burning is time—both are oxidation. You can feel and see the fire produced by rapid burning. But when metal rusts, the process is too slow to see. Rust is the "ash" of this fire.



# Saving and Investing

**W**E BELIEVE that everyone should save something annually — and invest that saving in a home, life insurance, or sound securities.

Whether you have \$100 or \$10,000 annually to place in good securities, we can give you the assistance you need, wherever you reside and whatever your requirements may be.

*Write for our current Investment Suggestions  
Folder N-8*

## HORNBLOWER & WEEKS

ESTABLISHED 1888

BOSTON NEW YORK CHICAGO CLEVELAND  
DETROIT PROVIDENCE PORTLAND, ME. PITTSBURGH

tion to contrast the methods and philosophy of Ford with those of the executives of the General Motors Corporation. Ford in all matters is a challenge to the accepted ways of conducting an enterprise; General Motors, on the other hand, represents the flowering of the new spirit in big business.

The contrasting views are illustrated by the opinions of the two companies concerning the proper way to finance growth. Henry Ford once told me in an interview that he considers it unsound for a business corporation to expand faster than it is able to grow out of earnings. Thus in a phrase he assailed the prevailing Wall Street custom of financing expansion through the sale of new securities to the investing public.

An answer to this point of view has been made by Alfred P. Sloan, Jr., president of the General Motors Corporation, who, in commenting on his company's new issue of \$25,000,000 of preferred stock, said:

"If the development is not too rapid, it is possible that all the additional funds needed may be obtained through a reasonable retention of earnings. On the other hand, the growth may be so rapid that a reasonable retention of earnings reinvested in the business would not be sufficient properly to finance the development and maintain a sound financial foundation. In such cases new capital must be obtained from the outside.

"Naturally, what the future will bring forth cannot at this time be stated, as it will depend upon future conditions which cannot now be foreseen. The policy of General Motors can, however, be stated, and that policy is to distribute to the stockholders a reasonable proportion of the earnings, varying the distribution in proportion to the earnings, retaining the balance for ordinary needs of the corporation and to maintain the strength of its financial position. Should further expansion require capital in excess of a reasonable retention of profits, in that event a reasonable part will be financed through the sale of securities."

**R**EFERRING to their enhanced ability to detect fraudulent issues, H. J. Kenner, general manager of the Better Business Bureau of New York City, recently remarked that American investors were becoming more sophisticated.

Another tribute of the same kind was recently overheard in an elevator in the Equitable Building. One bond dealer complained to another that in all parts of the country salesmen were lamenting that when they offered new issues to prospects they were disposed to counter that they would wait until after the syndicate had been dissolved when they might be able to pick up the securities a couple of points cheaper.

**J**UST back from Russia and hastening to prepare for a trip to Honolulu, Ivy L. Lee, one of the big operators among the pen-pushers in the publicity field, was compelled to dally on the witness stand as Samuel Untermyer, special transit investigator in New York, sought enlightenment as to precisely what service a publicity

# Clean with

AMERICA'S foremost automobile manufacturers, leading exponents of industrial efficiency, clean the OAKITE way. They find scientific OAKITE cleaning both a necessity in meeting capacity production schedules, and a vital factor in reducing costs and eliminating waste.

No doubt you, too, can gain some worthwhile advantage through adopting OAKITE methods. Our 18 years' cleaning experience is at your disposal.

Oakite Service Men, cleaning specialists, are located in the leading industrial centers of the United States and Canada.

Oakite is manufactured only by OAKITE PRODUCTS, INC.  
24A Thames St., New York  
(Formerly Oakley Chemical Co.)

# OAKITE

Industrial Cleaning Materials and Methods



## Men who sell in the West

have learned that it pays to manufacture in Oakland.

Perhaps you too should have a factory-branch or warehouse here... where, location, transportation, raw materials, labor supply and climate are right.

When you are ready to investigate... ask us. We can give you the facts you need... quickly, efficiently... confidentially.

## THE OAKLAND BANK

Twelfth and Broadway  
Oakland, Calif.





man renders. As Mr. Lee left the stand and received the customary \$2 witness fee, he muttered: "This is the most underpaid job I ever undertook."

The attorney asked Mr. Lee what other corporations besides the Interborough Rapid Transit Company were among his clients. Oddly enough, the first company named was the Bethlehem Steel Corporation, of which Mr. Untermeyer is the largest single stockholder.

Mr. Untermeyer, who formally retired from the practice of the law a decade ago, continues a dynamic bundle of energy. He fills the rôle of critic at large of Wall Street. His adversaries recognize his extraordinary talents—and wish, as they put it, he would devote them to more constructive purposes.

If, however, Mr. Untermeyer joined the pack and became a booster instead of a knocker, he probably would diminish in influence and prestige. As matters now stand, hundreds of industrial and financial giants tremble at the mere thought of facing that pygmy attorney on the witness stand. Mr. Untermeyer has an uncanny gift for making ordinary business relationships seem unsavory.

In the litany of the big business man, the crafty attorney is the first of the evil sprites from which they ask the Good Lord to deliver them. It is futile at this stage for an outside observer to seek to appraise the ultimate social utility of Mr. Untermeyer. Certainly he stirs matters up. He first came into national prominence before the war by quizzing the late J. Pierpont Morgan and George F. Baker in the Pujo Money Trust investigation.

Though an avowed exponent of popular, if not forlorn, causes, Mr. Untermeyer has sufficient purchasing power to warrant conspicuous consumption. His far-reaching estate in Yonkers, N. Y., is one of the show places of the east.

**KUHN, LOEB & COMPANY**, which divides honors only with J. P. Morgan & Company as outstanding bankers for American railroads, functions without outward evidences of grandeur. Until the death of the late Jacob H. Schiff, head of the house, seven years ago, the banking quarters at 52 William Street were as unprepossessing as the tawdry, mid-Victorian counting rooms of the First National Bank. But appearances never prevented the house from writing its name to checks to clients for tens of millions of dollars. The firm, like the house of Morgan, played a key rôle in the development of American railroads. It recognized a genius in the late E. H. Harriman and backed him in his far-flung operations.

Mr. Schiff's wisdom was translated into lasting financial monuments in the reorganization of such powerful systems as the Atchison, Topeka & Santa Fe and the Union Pacific Company.

Since Mr. Schiff's passing, the firm has been able to get along with four partners. Before the war, it had only six. J. P. Morgan & Company has fourteen, and most of the other large houses have at least twice as many as KL & Co., as the firm is known in the Street.

The Kuhn-Loeb partners as individuals

### Equitable Foreign Banking Service

The Equitable Trust Company of New York occupies an unusual position in the field of foreign banking. With large branches in Paris and London and over 11,000 banking correspondents throughout the world it offers facilities which are a distinct asset to firms doing a foreign business.

#### An Account in London or Paris

Merchants can save interest, provide funds for the convenient payment of their European bills and establish a valuable European credit reference by opening an account in our London or Paris Offices.

#### Foreign Credit Information

We furnish our customers with up-to-date credit information regarding individuals, firms, or corporations throughout the world.

#### Cables

Cables are sent and received by us during business hours at the rate of one a minute. We have arranged many special codes for our customers, saving them time and money and assuring absolute privacy in transactions.

#### Loans

Our service includes the handling of loans arising out of the importation or exportation of commodities by our customers.

#### Import Letters of Credit

We issue Import Letters of Credit on all parts of the world either in dollars or in the currency prevailing in the port of shipment. Highly trained men are employed to aid importers and facilitate the handling of their merchandise.

#### Foreign Exchange Trading

The Equitable is a leading bank in foreign exchange transactions, buying and selling cable transfers for the purchase and sale of foreign exchange and buying sight and time documentary bills in foreign currencies. Expert advice is given customers in covering their requirements.

#### Exchange

Checks and drafts may be obtained from us, issued on all parts of the world, payable in dollars or in foreign currencies. Mail transfers of foreign payments are also arranged.

#### E. T. C. Travelers' Letters of Credit

E. T. C. Credits are cashable all over the world. They are safe, convenient and economical. Inquire at any Equitable Office.



"More business is coming to me—

since I have been using your commercial letters of credit," said a customer.

"These credits facilitate transactions with foreign merchants and manufacturers, helping me to obtain the acceptance of advance orders by automatically assuring the foreign merchants of payment when the merchandise is shipped."

If you are interested in Equitable Foreign Banking Service, read the column at the left, then send for our booklet, "A Guide to Equitable Foreign Banking Service."

## THE EQUITABLE TRUST COMPANY OF NEW YORK

37 WALL STREET

#### DISTRICT REPRESENTATIVES

PHILADELPHIA: Packard Building

BALTIMORE: Keyser Building, Calvert & Redwood Sts.

CHICAGO: 105 South La Salle St.

SAN FRANCISCO: Financial Center Bldg.

ATLANTA: Healey Building

LONDON · PARIS · MEXICO CITY

Total resources more than \$475,000,000

© E. T. C. of N.Y., 1927



## The Voice of Conscious Business

Conscious Business is business that *knows* itself—whence it came and where it is going—how far and how fast—and its guiding *voice* is **THE BUDGET**. Where this voice is present there is Profit and Progress. Without it—waste, loss, failure.

Conscious Business knows its own strength and its own weakness. Its possibilities, its limitations, are as clear as Spring sunshine. It makes its own conditions. It plans its work and it works its plan with the courage of confidence.

The Voice of Conscious Business expresses itself thru its *well-planned Budgets* based on Sound Methods of Cost Accounting. Dependable Facts and Figures from every department tell the vital business story, develop better business methods, and establish control.

### ERNST & ERNST

ACCOUNTANTS AND AUDITORS  
SYSTEM SERVICE

NEW YORK  
PHILADELPHIA  
BOSTON  
PROVIDENCE  
BALTIMORE  
RICHMOND  
WINSTON-SALEM  
WASHINGTON  
BUFFALO  
ROCHESTER

CLEVELAND  
AKRON  
CANTON  
COLUMBUS  
YOUNGSTOWN  
TOLEDO  
CINCINNATI  
DAYTON  
LOUISVILLE  
HUNTINGTON

DETROIT  
GRAND RAPIDS  
KALAMAZOO  
PITTSBURGH  
WHEELING  
ERIE  
ATLANTA  
MIAMI  
TAMPA

CHICAGO  
MILWAUKEE  
MINNEAPOLIS  
ST. PAUL  
INDIANAPOLIS  
DAVENPORT  
ST. LOUIS  
MEMPHIS  
KANSAS CITY  
OMAHA

NEW ORLEANS  
JACKSON  
DALLAS  
FORT WORTH  
HOUSTON  
SAN ANTONIO  
WACO  
DENVER  
SAN FRANCISCO  
LOS ANGELES

are better known than the members of any financial house in America. In other firms, a few of the leading partners are nationally known, but the others have only a local reputation. Mortimer L. Schiff, titular head of the firm, is the son of the late Jacob H. Schiff. The head of the Schiff family maintains the family interest in philanthropies, and his special hobby is the Boy Scouts of America. Otto H. Kahn, another partner, is the Maecenas of the theater. No other living financier plays so conspicuous a part as a patron of the dramatic and musical arts. As chairman of the board of the Metropolitan Opera Company, Mr. Kahn is sponsoring a plan for a new home for opera.

**FELIX WARBURG**, son-in-law of the late Mr. Schiff, is one of the most conspicuous philanthropists in the east, and was one of the founders and the first president of the Federation of Jewish Charities in New York City. Mr. Warburg's pioneering work in setting up charitable organizations on a scientific, businesslike basis has helped to revolutionize modes of financing philanthropies of all denominations throughout the country. The fourth partner, and the youngest, who entered the firm as a boy, is Jerome J. Hanauer, whose interests are primarily related to the business itself.

Mr. Hanauer on the technical side is considered one of the ablest fashioners of new security issues in this country. He has remarkable creative talent for suggesting the best type of financing for a corporation which already has a complicated financial structure.

Who will constitute the next generation of partners for Kuhn, Loeb & Company? If the traditions of the past are followed, the most likely candidates will be picked from among the male descendants of the partners. Mr. Warburg has four sons, Mr. Kahn two, and Mr. Hanauer has a son-in-law who is already associated with the banking house.

Until five years ago, there was no question as to which two banking firms were the Wall Street leaders. The remarkable rise, however, of Dillon, Read & Company, under the leadership of the youthful and forceful Clarence Dillon, has brought a new contender into the Olympian fields of finance. Last year, Mr. Dillon's house arranged financing for a larger aggregate amount than any other concern except J. P. Morgan & Company.

Inasmuch as the pie of profits of Kuhn, Loeb & Company must be cut only among four partners, membership in that firm constitutes a Wall Street blue ribbon.

**ONE** OF the strange qualities about money is that it is difficult to give away wisely. When a millionaire asks for suggestions, outsiders think of ingenious ways of recommending a division of the spoils with them. Community trusts have been invented for giving expert management to bequests.

As individuals, perhaps no givers have been more astute than the Rockefellers. John D., Sr., who was almost universally hated earlier in the century, as an oil monopolist, is now generally admired for his

**Safe** **ELECTRIC HANDSAW**

**Wallace**  
PORTABLE MACHINES



Write for Catalog and **FREE TRIAL OFFER**

**J.D. WALLACE & CO.**  
2815 WILCOX ST., CHICAGO U.S.A.

June issue said:  
**"We Find the Money You've Lost"**

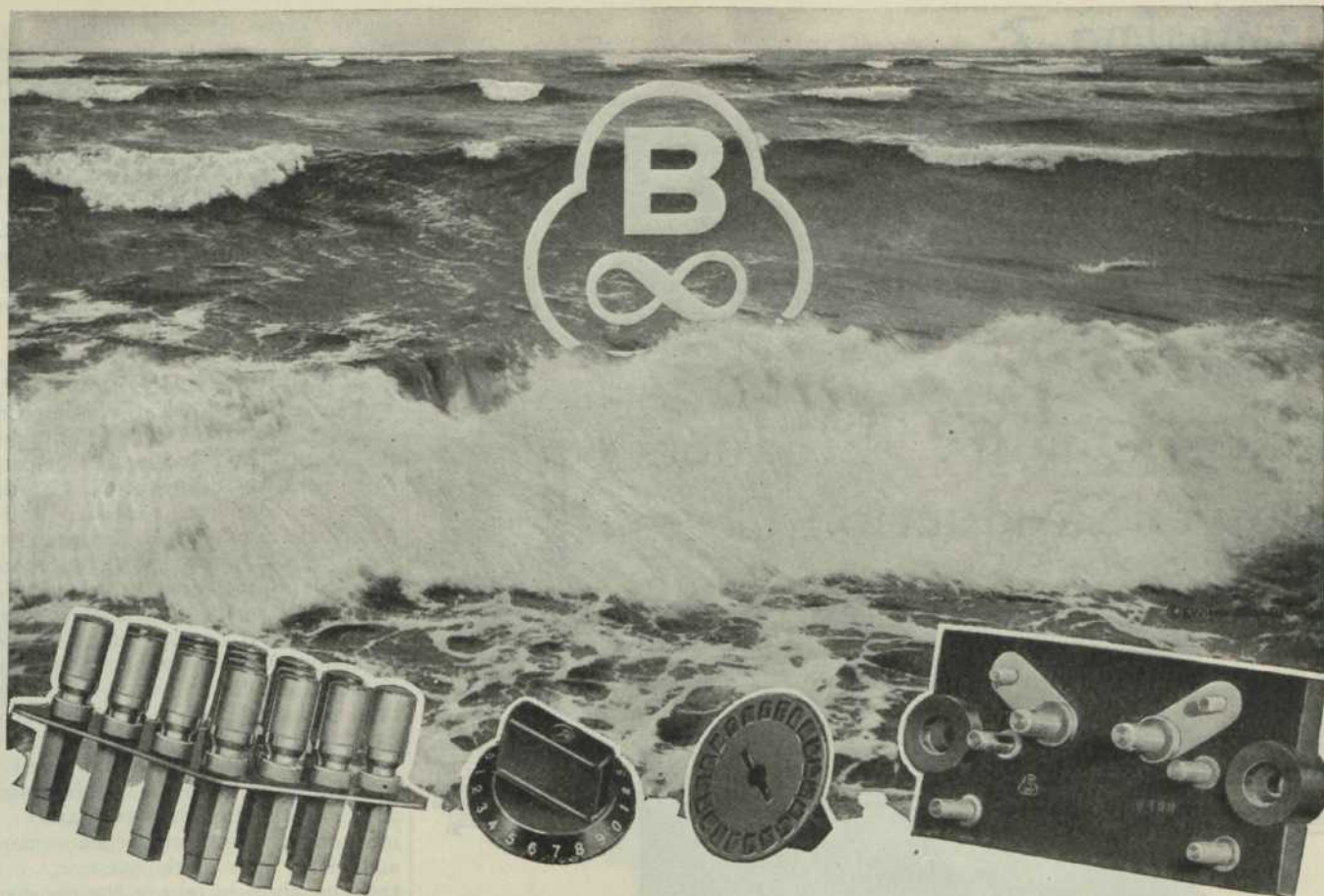
Ask your secretary to write for our New Plan for

**COLLECTING**  
Slow and Delinquent Accounts



**AMERICAN SECURITY CREDIT COMPANY**  
GENERAL OFFICES, ST. LOUIS, MO.





## *The rising tide of simplification*

IN production processes, "Simplification" means shortening the period between inception and completion. It means producing a dozen units in the time formerly required for one; or making in one operation some part that once was a tedious assembly job. One reason why Bakelite Molded has found such wide acceptance among manufacturers in almost every line, is that it helps to simplify production.

The production of the contact buttons shown at the left has been simplified by the use of Bakelite Molded. In a multiple cavity mold, sixteen of these buttons are formed in two operations, the round ends of red and the square ends of green Bakelite Molded.

The dials shown in the center are

also produced in Bakelite Molded. Three operations are eliminated, improved design is made possible and the manufacturing cost is reduced 25%. The third illustration shows a molded terminal block for a subway door control. It is formed in one operation with ten metal inserts securely embedded, finished holes for mounting screws, and sharply defined relief lettering.

These are but three among hundreds of instances in which the use of Bakelite Molded has proved to be the key to simplification. Our engineers and research laboratories welcome opportunities to cooperate with manufacturers in adapting Bakelite Molded to their own needs. Write for Booklet No. 42, "Bakelite Molded."

### BAKELITE CORPORATION

247 Park Ave., New York, N. Y.  
BAKELITE CORPORATION OF CANADA, LTD., 163 Dufferin St., Toronto, Ontario, Can.

Chicago Office, 635 West 22nd St.  
163 Dufferin St., Toronto, Ontario, Can.

# BAKELITE

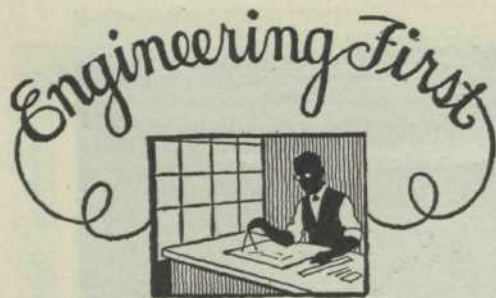
REGISTERED

U. S. PAT. OFF.

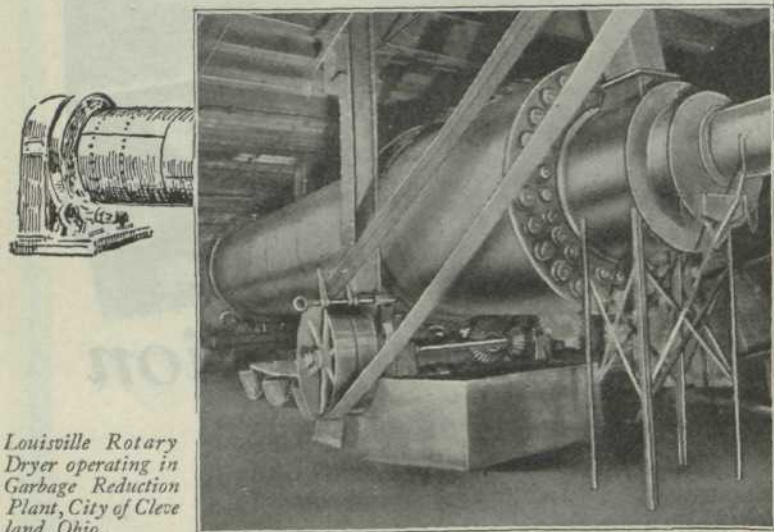
THE MATERIAL OF  A THOUSAND USES

"The registered Trade Mark and Symbol shown above may be used only on products made from materials manufactured by Bakelite Corporation. Under the capital 'B' is the numerical sign for infinity, or unlimited quantity. It symbolizes the infinite number of present and future uses of Bakelite Corporation's products."  
When writing to BAKELITE CORPORATION please mention Nation's Business





## —Then Higher Quality Products at Lower Production Costs



Louisville Rotary  
Dryer operating in  
Garbage Reduction  
Plant, City of Cleve-  
land, Ohio.

**"L. D. E.** met the problems squarely and their service resulted in a product which is quality perfect and a plant which operates at 100% of its capacity."

Such comments as this concerning the work and equipment of Louisville Drying Engineers have been common for almost forty years. And their recommendations invariably reduce production costs, often by half.

A manufacturer of an infant food was constantly troubled with quality problems. L. D. E. were called in and as a result of "Engineering First" this food is today an excellent product and production is at full plant capacity.

In the calcium arsenate industry L. D. E. produced the desired results,

with an investment saving of two-thirds the price of previous equipment and at a 50% operating cost reduction.

For a fertilizer manufacturer obnoxious vapors were minimized, eliminating a nuisance, and in addition the product's market value was increased \$3.50 per ton.

L. D. E. offer you the opportunity to meet drying problems with "Engineering First." Without obligation they will study methods and equipment and make their report and recommendations. Your letter will put them to work on your material.

**LOUISVILLE**  
DRYING MACHINERY  
COMPANY.  
Incorporated.

Hull St. & Baxter Ave. Louisville, Ky.

When writing to LOUISVILLE DRYING MACHINERY COMPANY please mention Nation's Business

soundly conceived philanthropies. In addition to his medical, educational, and general scientific foundations, the Rockefellers—father and son—sponsor numerous smaller activities, which help to integrate the modern world. The new Institute of Pacific Relations, which has been holding sessions in Honolulu during the last fortnight, is financed by Rockefeller money. Its aim is to get influential individuals of various interested nations to discuss over a round table in non-political manner the essential problems of the Pacific.

**DAVID FRANKLIN HOUSTON**, who served in President Wilson's Cabinet for eight years, will become president of the Mutual Life Insurance Company, of New York, on September 1. In the six years he has been associated with the American Telephone & Telegraph Company, he did pioneer work in interesting hundreds of thousands of telephone users in the stock of the great holding company. Mr. Houston recognized that in many small communities brokerage facilities were not available, and that it was therefore futile to urge backwoodsmen to buy only good securities through reputable dealers. Only peddlers of blue-sky issues reached those out-of-the-way places. Mr. Houston met the competition of the charlatans by turning linemen, repairmen, telephone operators, and clerks into stock salesmen, and authorizing them to take orders for shares of the operating units and the holding company. That was Mr. Houston's contribution to democracy in finance. He has been a leading figure in the "present economic revolution in the United States"—to use the phrase of Prof. Thomas N. Carver of Harvard University—and he has done yeoman's work in turning laborers into capitalists.

In infusing the modern progress spirit into the insurance field, Mr. Houston will be able to do useful, pioneering work. Old fogeyism still prevents the great insurance companies from being as useful as they might. In inventing new insurance patterns, the Mutual, which Mr. Houston will head, has long been a leader. It should therefore be a receptive instrument for the type of socially minded innovations which Mr. Houston is capable of introducing.

**WITH** few exceptions, the insurance companies are woefully backward in the use of advertising. They are as archaic in this respect as the banks and investment houses were before the war. In spite of the great growth in insurance, the average man is still underinsured, especially when the present purchasing power of money is taken into consideration. Through advertising, the insurance companies should train the public to think of policies in terms of income, not principal. Advertising should sell the idea of insurance, and agents should be released to concentrate on programs fitted to the particular needs of individuals. It is sheer economic waste for the agent, virtually unaided by intelligent advertising, to have to break down the barriers of public prejudice and apathy.

No type of salesman in these United States seems to be liked less than the insurance agent, and none sells a more de-



sirable service. Advertising should be used to get the average man to think of the competent insurance agent as his best friend—not as a symbol of something to be despised. And, when a new generation of progressive business leaders infiltrate into the boards of insurance companies and convince the elder statesmen among the trustees of the wisdom of investing in vivid advertising, they should stress a new note concerning insurance. Insurance agents have been despised because they harped on the unpleasant menace of death. Insurance should instead be sold as a force making for economic immortality: it assures the survival of the earning power of the breadwinner after death. Thus it bolsters the human will and makes it effective in spite of the uncertainties and hazards of living.

UNLIKE Great Britain, America has not yet seen the wisdom of calling to public life men who have made conspicuous successes in the world of business. Former President Harding sought to start the vogue by calling Andrew W. Mellon to the chief Treasury post. Although political leaders are in no large numbers recruited from the ranks of business, big business does not hesitate to call men from public life into its ranks.

Mr. Houston is a conspicuous example of a public man in business, who has retained a public point of view.

Recently George V. McLaughlin resigned a \$10,000 a year post as Police Commissioner in New York City to become executive vice-president of the Mackay Companies at a reported salary of \$85,000 a year.

A colleague of Mr. Houston, the late Secretary of the Interior Lane, resigned from the Wilson Cabinet to become an executive of the Sinclair Oil Corporation.

William Loeb, secretary to former President Roosevelt when he served in the White House, became an officer of the American Smelting & Refining Company.

Theodore Rousseau, secretary of the late Mayor John Purroy Mitchell, of New York, is in charge of the Paris office of the Guaranty Trust Company.

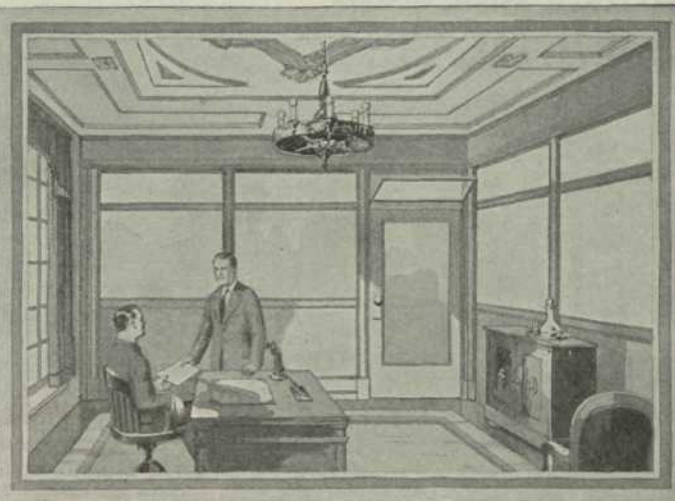
George E. Roberts, vice-president of the National City Bank, was formerly Director of the Mint. Moreover, Frank A. Vanderlip, former president of the bank, who called Mr. Roberts to that institution, had himself previously been assistant Secretary of the Treasury under Lyman D. Gage, in McKinley's administration.

Franklin D. Roosevelt, former assistant Secretary of the Navy, left to become vice-president of the Fidelity & Deposit Company, of Baltimore.

Russell C. Leffingwell, former assistant Secretary of the Treasury, is now a partner of J. P. Morgan & Company.

Col. James A. Logan, Jr., former observer at the Reparations Commission for the American Government, is Paris representative of the banking house of Dillon, Read & Company.

Besides taking leaders from the civil arm of the Government, big business has also summoned numerous army officers. For example, Major Gen. Robert C. Davis recently resigned as adjutant general of the Army to become president of Photomaton,



## New Beauty in STEEL PARTITIONS

—by Hauserman

UNLESS you are familiar with the beauty of these steel partitions, Hauserman designs will prove a revelation. They grace any office, giving it a comfortable, livable appearance, yet sturdy and dignified... an atmosphere of personality—of achievement—of an up-to-the-minute business.

Furnished in 20 color combinations, Hauserman Steel partitions harmonize with any interior decorative plan... in eleven types and grades for every commercial and industrial need from the finest executive office to warehouse.

Today, it's steel—in buildings, equipment and partitions, and Hauserman Movable Steel Partitions with their many advantages—attractive appearance, permanency, ease of rearrangements, lasting finish and low price—represent outstanding values.

*Ask for literature on this significant development in partitioning.*

**THE E. F. HAUSERMAN COMPANY**  
Largest Steel Partition Manufacturer  
6811 Grant Avenue, CLEVELAND, OHIO  
Sales, Engineering and Erection Service at  
Branches in Principal Cities

"ORGANIZED FOR SERVICE NATIONALLY"

*The 7 points of  
Superiority*

1. Complete line
2. Built of Steel
3. Attractive appearance
4. Greatest movability
5. Sensational prices
6. Easily wired
7. Erection service

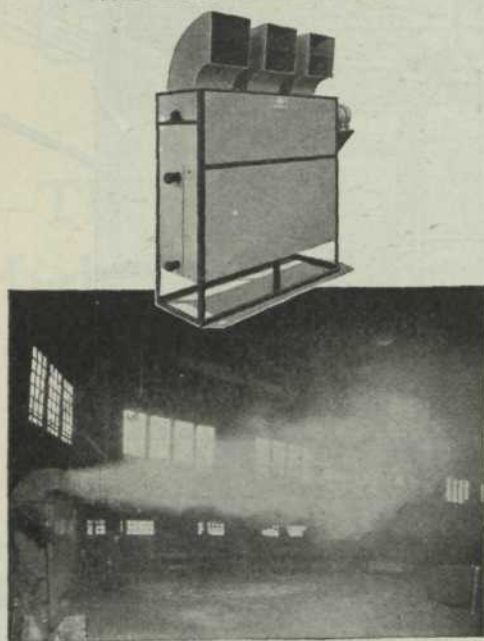
*Found in all  
Hauserman 11 types  
Partitions*

# HAUSERMAN

## MOVABLE STEEL PARTITIONS



## Heats Factories with less loss from IDLE HEAT



**T**HE York Heat-Diffusing Unit is installed in factories in place of old-style radiators or pipe coils. One Unit replaces many radiators. It heats the factory more quickly and more economically by blowing the heated air out horizontally at high velocity above the heads of the workers. The heat cannot rise to the roof without doing its work where needed.

The illustration shows a demonstration of the action, using smoke bombs to make visible the principal air currents. See how the heated air is beginning to diffuse down in the working zone.

Buildings as large as 200 feet x 60 feet can be heated with a single York Unit. The saving in cost of installation sometimes runs as high as 50%. Several thousand concerns now use them. Many have torn out "satisfactory" old-style radiator systems to get the benefits of York.

Every executive might well study this newest scientific development in factory heating. Write for interesting literature to

**YORK HEATING & VENTILATING CORP.**  
1514 Locust Street, Philadelphia

# YORK

## HEAT-DIFFUSING

# UNIT

"Heat With  
Unit Heaters"

**MAIL THIS COUPON NOW**

YORK HEATING & VENTILATING CORP.  
1514 Locust Street, Phila., Pa.

Please send me Smoke Bomb Demonstration literature  
and other facts concerning York Heat-Diffusing Units.

Name \_\_\_\_\_

NB 8-27

Address \_\_\_\_\_

Inc. Other army officers of note who are now in the ranks of business include Major Gen. James G. Harbord, president of the Radio Corporation of America; Major Gen. George O. Squier, telephone and telegraph inventor; Lieut. Col. John R. Slattery, who left the Corps of Engineers to become chief engineer of the Board of Transportation of New York City; and General Goethals, builder of the Panama Canal, who became a management engineer and reorganizer.

**T**HE MARKET rate for human services is far higher in business than in public life. Business has been able to find men of extraordinary executive talents in public life, and have found some ornamental as well as useful.

The decorative value of names that command public respect has been recognized abroad as well as at home. Hartley Withers, British economist, in depicting the flotation of a mythical tooth powder com-

pany, writes in his *Stocks and Shares*:

"The question of directors had presented some difficulty, because Cleanbite (a dentist) with a healthy middle-class prejudice, had tried hard to insist on the ornamentation of the board by the presence of one or two Peers. But Mortimer (a promoter) knew better. 'That bait won't do nowadays,' he said with brutal frankness. 'You frighten the public if you have too much gilding on the front page. Directors have got to be practical. Tooth-powder wants doctors and dentists and scientific experts. Not that they're practical, but they're what the dear old public thinks it means when it talks about a practical board. It thinks that, if a man knows what a tooth-powder ought to be made of, he knows how to run a company to make it. We've got to meet its little prejudices and give it a nice scientific board with a business man as chairman to take care of them.'"

## Bankers Disagree on Loans Abroad

**B**ANKERS have been coming in for some criticism in connection with the discussion of the flow of American capital abroad. Thomas W. Lamont, of J. P. Morgan and Company, in discussing this subject at the dinner of the American Section of the International Chamber of Commerce in May, said:

Naturally it is a tempting thing for certain of the European governments to find a horde of American bankers sitting on their doorsteps offering them money.

The American investor is an intelligent individual and can be relied upon to discriminate. Yet in the first instance such discrimination surely is the province of the banker who buys the goods rather than of the investor to whom he sells them.

Charles E. Mitchell, president of the National City Bank of New York, in discussing this same subject before the Fiftieth Convention of the National Electric Light Association, took a rather different stand. He said:

The excessive competition of American bankers today for loans abroad is to be deplored, but in reality our American investor is in complete control of the situation. If he shows a disposition to buy indiscriminately, then there will be bankers in number, who, to obtain his trade, will likewise buy indiscriminately and compete with one another so to buy even though it means the relinquishment of essential standards of soundness, the value of which they should well know.

His speech presents certain facts and raises certain questions that merit the attention of not only investors but also business men as the trade questions raised by these loans will intimately affect American business, export and domestic. Mr. Mitchell said, in part:

Foreign issues have come into our markets at the rate of about a billion dollars a year in recent years.

Let us examine for a moment the meaning of this great foreign investment. High authorities question as to how as time goes on the interest and capital retirement of these rapidly mounting debts can be transferred

from another currency to dollar currency for remission, even though accumulated for that purpose in good faith in the debtor country.

We must remember that by and large the money that has been borrowed here has not been taken out of the country. It has been spent here in the purchase of the products of our fields, our mines and our factories. So heavy indeed has been the balance of payments this way that not only have foreign merchants been forced to expend all the proceeds of foreign loans here, but above and beyond that, they have had to ship large quantities of gold to discharge their obligations. Had we not loaned abroad, our foreign customers would have been face to face with the alternative of curtailing their purchases from us or of shipping us more gold, the one course meaning the loss of the foreign markets to American production, the other threatening us with a most dangerous inflation. Foreign lending therefore has served and is serving a patriotic purpose as well as assisting our good customers abroad to bridge the gap of the reconstruction period.

It is true that serious questions arise as to how these debit balances created by our loans will be ultimately adjusted.

We are now a creditor nation and in the long run balances of creditors have to be settled in goods and services. A portion of what is due may be refunded by new loans or reinvested directly or indirectly in foreign productive enterprise and possibly in equity ownership position but that only postpones the day of reckoning. Already the annual interest and sinking fund requirements on our foreign lendings are estimated to amount to close to a billion dollars and the time is certainly approaching when the new lending will do little more than cover such charges. And then what? Inevitably the American people will have to accustom themselves to an import balance of trade—a condition where we will import more of foreign goods and services than we export of our own. In other words, to maintain our present rate of exports, we must not raise obstruction to a material increase in our imports. Some say that we can avoid this by following England's example of constantly reinvesting the proceeds of our foreign loans, the principal and perhaps part of the interest, but let us be mindful that England from the time she became a creditor nation always had a balance of trade on the side of imports.



# The Hub of Western Distribution

**U**NUSUAL transportation advantages favor Los Angeles County as the manufacturing and distribution center of the West.

For the short haul there are two terminal-belt railways, inter-connecting all lines—switching free both incoming and outgoing freight; an extensive electric interurban railroad of 1100 miles serves Los Angeles County and Metropolitan area; a network of highways with truck service reaches 3,000,000 people in Southern California, and three great railway systems serve without transfer en route all important Western cities.

One hundred and fifty-seven steamship lines convey cargoes to every foreign country and coastwise to Atlantic, Pacific, Central and South American ports.

Daily air mail service to the entire country.

Large close-in population and unusual transportation give to Los Angeles County quick access, and lowest average freight cost in distribution to Western and Foreign markets.

**These varied outlets to Western markets of great buying power, together with cheap ocean freights on raw materials, recently caused the B. F. Goodrich Rubber Company to select Los Angeles County for its \$4,000,000 factory.**

For complete details write

**INDUSTRIAL DEPARTMENT**  
Los Angeles Chamber of Commerce

**Los  
Angeles  
County**

**INDUSTRIAL LOS ANGELES**



## Chips from the Editor's Work Bench

By Raymond C. Willoughby

WITH radio in a practical way of doing a new public service through its application to train control, railroad men profess to see its greatest value on trains of 70 to 125 cars. On trains that long, the engineer and the members of the crew in the caboose are separated by nearly a mile of cars. There is no positive means of communication between them. Signals are exchanged by means of the whistle, or flare lights. Sharp curves or bad weather, obviously, complicate the transmission of those signals. Should a defect develop in a long train, a brakeman must make his

And it is easier to believe that Columbus was ahead of his time on the evidence of a St. Kitts-Nevis stamp disclosing him with a collapsible telescope in hand—an instrument not invented until after his death.

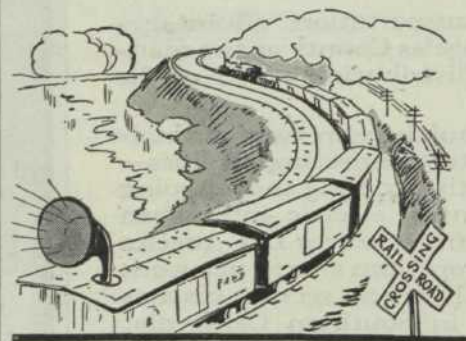
A world of adventure can be told with stamps, and Mr. Warren has shown how. For the business man the romance of stamp collecting is likely to be obscured in the routine requirement of paying postage. Perhaps it is his satisfaction that he can do something more than lip service to the great figures in the postal hall of fame.

WHEN the National Association of Real Estate Boards meets at Seattle this month, its members will consider the problem of finding new markets for farm lands. To quote from an Association bulletin, "selling land for airplane fields, as well as for recreational sites and for country club use, will be one phase of present-day specialized utilization for lands once lumped, unimaginatively, as farm acreage, which will be brought before the convention."

If the use there defined has waited on laggard imagination, the bright realms of realtors' dreams should invite the hope of remedy. To see what might have been hard living for a farmer as the soft landing for an aviator requires something more than business vision. Also needed is a fancy not bound to earth.

SOMETHING personal bubbles in the declared intent of the Cleanliness Institute, founded in New York by the Association of American Soap and Glycerine Producers. The purpose, so the announcement reads, is "to promote public welfare, efficiency and health by developing and circulating information emphasizing the practical importance of cleanliness in every department of human life."

Primarily social in its projects, the Institute wants it known that it is "first a re-



way over the car tops to report the trouble to the engineer and conductor.

For road and yard service sets have been developed by the General Electric Company. The immediate usefulness of this scientific contribution to the business of railroading is plain. Now, when something goes wrong with the "kettle" up front, the engineer can pass the bad news through the loud speaker. Where improvement is so much in prospect, it does seem only fair that lay judgment should wait on service tests. But no one, of course, can tell what the crew in the caboose will do when a ghostly voice gets off that old switching line, "Hand me three!"

DEMAND for the Lindbergh air mail stamp again attests the public interest in stamp collecting. National pride is served, of course, in these commemorative issues, but they also carry something of the essence of history and geography. Whether the collecting be made a business or a pastime, it does not proceed far without revealing the heroes of every country in the postal union.

As a form of international advertising the stamp has its virtues. The lion is more British and the dog more Newfoundlandish because of their miniatures in the world's mail. But it is their kings, their captains, their statesmen, their inventors, their explorers that nations delight most to herald with honorary stamps. Zeal in according these mucilaginous accolades has, on occasion, worked nothing less than miracles. To borrow a paragraph on our 1893 Columbus stamp from F. B. Warren's "The Pageant of Civilization."

The 1-cent denomination pictures a clean-shaven Columbus in sight of land, and the 2-cent denomination, portraying the landing of Columbus presumably but a few hours later, reveals him with a luxuriant beard.



search and a fact-finding agency, and then an instrument for the use of the knowledge thus obtained." As the announcement explains, the soap manufacturer makes his place in the industrial sun by supplying a commodity that is "one of the important agents of civilization." In that appraisal is also measured the development of our political intelligence—the progress from advocacy of "civilize 'em with a Krag" to preachment of the softer rule of soap.

The soap manufacturer's function is "not only to make good soap, but to show why soap should be used and how it should be

## Play the SILVER KING\*



WHEN your opponent is licking his chops—when he's got you dormy—take out a brand new Silver King. It's great for your confidence, for it takes a miracle to beat the combination of a stout heart in the underdog and the very best golf ball ever made.

\* Reg. U. S. Pat. Off.

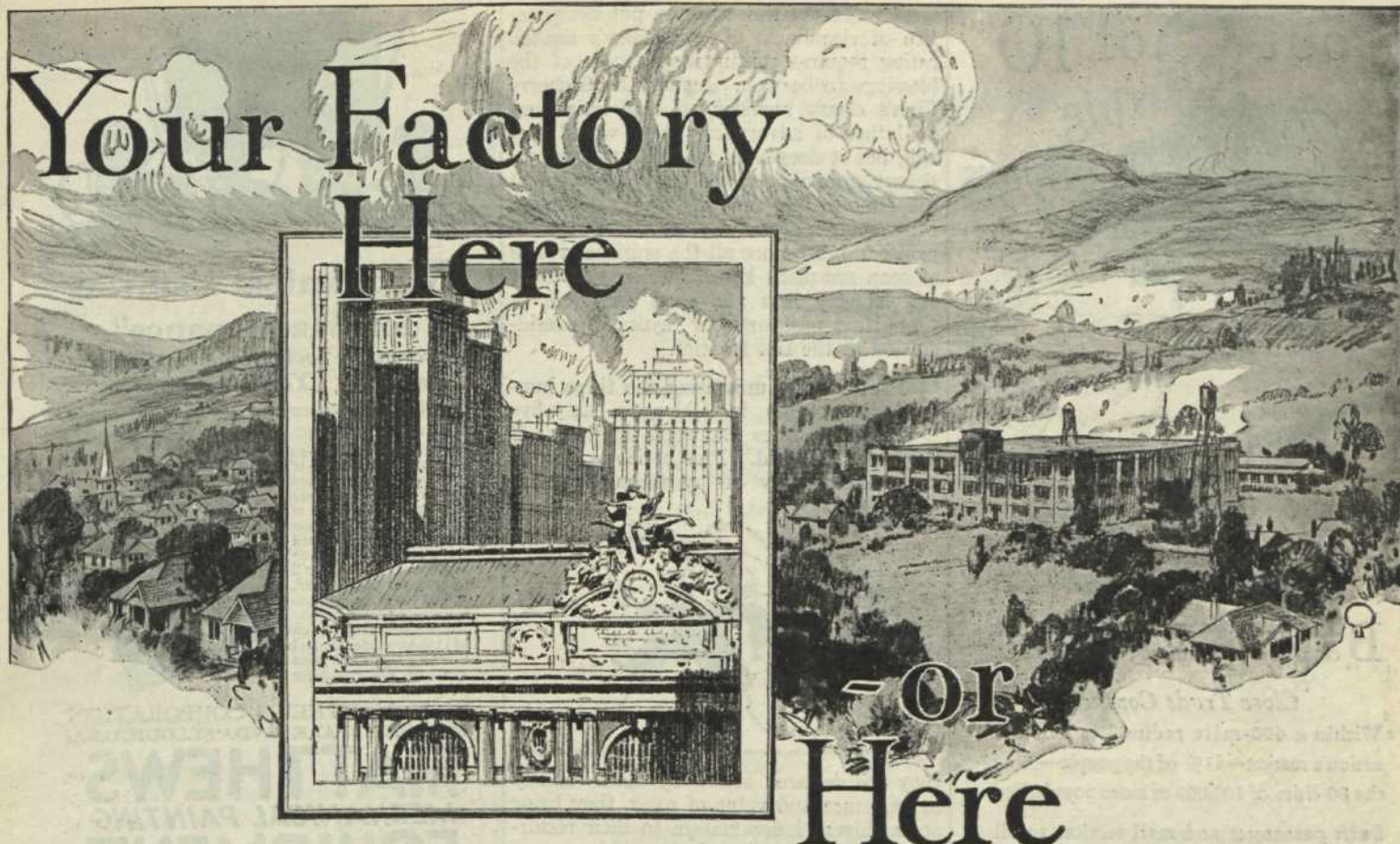


[ IMPORTED BY ]

*John Wanamaker*  
NEW YORK BOSTON PHILADELPHIA  
CHICAGO MEMPHIS LOS ANGELES

Wholesale Golf Distributors





EVERY successful business has made big profits *in addition* to those earned by manufacturing or sales. Some ventures have made *larger* profits this way than they have made from the business itself . . .

Increases in land values, appreciation in plant, rapid development of easier markets, supplemental profits from by-products—these are only a few of the advantages that help the manufacturer who is in a growing, developing community.

In Piedmont Carolinas, where per capita wealth is growing three times as fast as in older, more highly industrialized sections of the country, the opportunities are several times as great.

For Piedmont Carolinas offers a fortune-building foundation that is not duplicated anywhere else in this rich nation—willing, efficient labor, abundant hydro-electric power, extensive markets nearby. And unusually pleasant living conditions—the result of a bracing upland climate. Less than one-fourth of the available labor is engaged in industry. The remainder is employed in agriculture. Labor that is 99% of native pioneer stock, keen, teachable and ambitious; yet singularly free from unrest and un-American ideals.

Mountains and hills clad with the largest hardwood forests east of the Mississippi in-

sure the water supply that produces the region's annual output of 1,400,000,000 KWH of electrical energy—distributed over 3,000 miles of transmission line.

The Piedmont Carolinas' market—practically at the door and reachable by motor truck over the region's wonderful system of paved roads—is capable of absorbing *several times* the present output of many of the industries now operating. Textile machinery, mill supplies, food and feedstuffs, building supplies and many others are in colossal demand.

And as for living—conditions are what they were in pleasant Middle-Western towns

## Where Wealth Awaits You

In the midtown section of Manhattan Island—that is, in the new business and financial district near the Grand Central Terminal—assessed valuations have increased 631% in twenty years. During this same time, the wealth of Piedmont Carolinas has increased 660%.

# PIEDMONT CAROLINAS

when you were a youngster growing up. Thoroughly modern, of course, with sewers, paving, electricity, gas and transportation—but *uncrowded*.

Pleasant tree-lined streets lead out to quiet residential sections where kindly hospitality and the enjoyment of life are still an art. You'll like to live and work in Piedmont Carolinas.

Investigate. Get all the details as they apply to you and *your* interests. Our Industrial Department, Room 105, Mercantile Building, Charlotte, N. C., gladly places its facilities at your service. Write

# DUKE POWER COMPANY

{ OWNERS OF SOUTHERN POWER COMPANY, SOUTHERN PUBLIC UTILITIES COMPANY & ALLIED INTERESTS }





## Just overnight from ERIE

**B**UILD your plant or branch in Erie. Be close to the nation's big buying centers.

### Close Trade Contact

Within a 400-mile radius lies half the nation's market—43% of the people—39 of the 80 cities of 100,000 or more population.

Swift passenger and mail services to all parts of this rich area mean low sales cost—permit the close trade contact short buying demands. Quick freight deliveries further help hold trade in line. But this easily-worked market area is only one of 5 great advantages Erie offers you.

### Other Profit Factors Here

Free to executives—"5 Great Advantages," a 32-page book of vital facts detailing Erie profit possibilities. Mail coupon for copy. Or request confidential Industrial Board survey applied to your own problems.

# ERIE

## PENNSYLVANIA

City of 5 great advantages



ERIE CHAMBER OF COMMERCE  
Erie, Penna.

Date \_\_\_\_\_

Please send a copy of your booklet  
"5 Great Advantages."

Name \_\_\_\_\_

Firm \_\_\_\_\_

Address \_\_\_\_\_

N. B.—8-1-27

used." To get the world to put the practice of cleanliness up to Wesley's exalted rating requires continual repetition of the blessings to be won. Against Huckleberry Finn's classic aversion to local irrigations no lather of advertising likely would prevail, but it does seem probable that a persistent campaign would have kept bright the fame and fortune of "Spotless Town." Miraculous powers are in every can of printer's ink. Once all the spiritual values of soap are made known, we may treasure our laundry lists and soap wrappers as supporting passports for favorable consideration at the last frontier.

**T**HAT idea of unionizing the three hundred workers in Chicago's sixty-five dental laboratories had teeth in it, but it did not take hold. Prostheticians though the workers may be by technical name,



they are declared artists by deed. Ready in sculpture and value of color, they bring an intelligent individualism to their restoration of the works of that old master, Nature. It is not surprising that they are unorganized. It is a little strange that they are unsung. But who could deny that their works are honored as much in the breach as in the observance?

**P**ERFECTION of a device for weighing by radio provides an arresting measure of our industrial progress. Developed by the research staff of the Eastern Manufacturing Company, makers of pulp and paper, this equipment with its auxiliaries is capable of weighing, recording, and controlling the unit weight of materials that issue from a machine in a continuous web, as paper, rubber, or coated fabrics. As described by Arthur D. Little, Inc., of Cambridge,

the principles underlying this unusual development are those of the tuned radio circuit, which is essentially duplicated in this equipment. The web of material passes between two parallel metal plates which act as a condenser in the receiving circuit. Variations in the weight of the web change the capacity of the condenser and affect the response of the circuit to a wave of controlled frequency. These variations are shown on a meter connected in the circuit and may be used to operate machine controls by suitable relays.

In this practical adaptation of a new and theoretical science to the needs of an unrelated industrial art is, of course, decisive evidence of inventiveness and ingenuity. But more, it is the undying tissue of belief that all things are ultimately possible—the resourceful faith that turns the visionary purpose of yesterday into the acknowledged fact of today.

**A**T BUFFINGTON, Indiana, the Universal Portland Cement Company has completed and opened to navigation "the deepest harbor on the Great Lakes, the



## "Mechanical Painting for Maintenance"

—a complete booklet on maintenance painting. • Your copy now ready.

This book answers many of the questions in your mind about mechanical painting and equipment. It compares costs of applying paint on different kinds of surfaces; shows various Matthews machines; gives interesting experiences of users and other information valuable to those interested in reducing their maintenance painting costs. You'll profit by reading the book and by investigating the features of dependability and ultimate economy which Matthews Mechanical Painting Equipment offers you. Write today for your copy.



W. N. MATTHEWS CORPORATION  
3758 FOREST PARK BLVD., ST. LOUIS, U.S.A.

## MATTHEWS MECHANICAL PAINTING EQUIPMENT



Write for This Book Today

**O**NE square mile of land is required every month to provide for Detroit's growth in population and industry.

Fortunes are being made in Detroit real estate. The investor has exceptional opportunity here. Yet Detroit has only started its career as a great commercial and industrial center.

You will enjoy this wonderfully illustrated book about Detroit and Dearborn—the center of Greater Detroit's west side, where Henry Ford has built the world's largest single industry.

**You should have this book!**

Wanted—State Managers. Men of character and standing. Big opportunity for men who qualify.

THE GLOVER WATSON ORGANIZATION INC.  
WE SELL THE LAND

WASHINGTON BLVD. BLDG., DETROIT, U. S. A.

### TIMELY

"NATION'S BUSINESS gives the business man what he badly needs, the best current thought, the best forward look on all business problems," says Ernest T. Trigg, President of John Lucas and Company, Philadelphia. "I read it more religiously than any other magazine."



first private harbor to be built on Lake Michigan in twenty years, and one of only three such harbors on all the Great Lakes, the others being at Gary, Indiana, and at Calcite, Michigan." As catalogued by the company the facilities of this improvement include:

use of the largest fleet of freighters on the Great Lakes, with self-unloading craft that automatically discharge their huge cargoes at a ton a second, the largest movable boat-unloading bridge in the Chicago district for unloading standard steamers, a million-ton storage yard, a mile-long belt conveyor carrying material from dock to cement plant at the rate of 6 tons per minute, an 1,800-foot concrete dock wall, 600 feet wide, that provides facilities at the same time for unloading limestone and loading cement for shipment, a 2,000-foot massive breakwater and an all-concrete lighthouse with an electric beacon visible 13 miles away.

That robust recital is well calculated to detail the harbor's service in enabling the Universal Company "to receive by boat and store large quantities of raw materials, and to ship cement by both rail and water to all points on the Great Lakes and in the Mississippi valley." But more, it suggests that for Chicago, at least, water is a happy solvent for some industrial problems.

As for the personal equation, no great surprise was occasioned when her health commissioner told the world that "278 gal-



lons of water a day is the share of every man, women and child," and that "Chicagoans bathe more often and more diligently, whether from the feeling of necessity or choice, than the inhabitants of any other of the world's great cities." No matter whether there's more of sediment than of sentiment in the liquid notes of that proud trumpeting. The only wonder is that the city retains for symbol the phoenix rising from the ashes. More in character with her watery rites would be a picture of Father Dearborn emerging, damp and determined, from a well-marked tub.

#### SIGNS of the times:

- Community advertising.
- Motor car ornaments.
- Airports.
- Set-back skyscrapers.
- Twelve-button executives.
- "Shorts" for men.
- Tourists' camps.
- Book-of-the-month clubs.
- Movie palaces.
- Spare stockings for women.
- Two-car families.
- Stores on wheels.
- Electric and gas refrigeration.
- Television.
- Orange-juice stands.
- Divorce without acrimony.

## Character Analysis of the Boston Evening Transcript

Expenditures are determined by income. The newspaper reaching the class with the greatest incomes reaches the greatest buying power in the community.

The Boston Evening Transcript, recognized as one of the outstanding newspapers of the United States for almost a century, is admittedly the paper of the dominant group in the rich Boston market. No other paper serves their purposes and interests so well. No other paper is so intimately theirs.

Boston knows this. Advertisers and space buyers everywhere know it. Proof? Well, for the five months ended May 31, the Boston Evening Transcript showed a gratifying gain in national advertising and outstripped all other Boston papers with a gain of 36,532 lines in financial advertising.

*Highest ratio of BUYERS to readers*

*National Advertising Representatives*

CHARLES H. EDDY CO.

Boston New York Chicago

R. J. BIDWELL CO.

San Francisco Los Angeles

BLUE-BLACK  
IT'S PERMANENT

# SANFORD'S

## PREMIUM WRITING FLUID



How would  
you battle  
15,000  
greasy, grimy  
shoes  
daily?

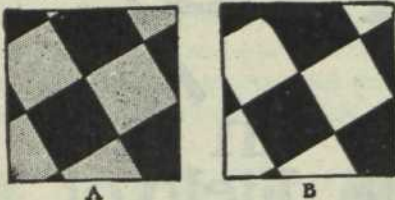
"HERE'S HOW" the Highland Park (Michigan) State Bank does it:

"Every day," says Mr. C. H. Ewing, "at least 7,500 people—sometimes 10,000—track up our 4,000 sq. ft. of marble floor. Many are employed in the Ford Motor Co. machine and foundry shops across the street. Their shoes are greasy, grimy, dirty. But our FINNELL Electric Floor Machines, followed by a single mopping, leave the floors spotless!"

Not content alone with mastering that job, FINNELL equipment has been saving this bank \$1,000 in labor cost yearly since 1919. Enough to pay for the machines twice every year!

There are FINNELL models that will solve your floor problems in like manner—whether you have 500 sq. ft. to clean or 500,000.

You can use the FINNELL to wax and polish, too, where needed. Also to completely refinish worn spots. Works easily, quietly, speedily.



A—Section of supposedly well-cleaned floor. Dirt remains in cracks. Discoloration has set in. B—Cleaned the FINNELL way. Spotless, inviting, preserved. This test on YOUR floors will reveal how much cleaner they CAN and SHOULD be.

Send for story of dividend-paying floors

Explains how to secure greatest utility and beauty from your floors most economically—whether they are marble, tile, wood, linoleum, terrazzo, cork, rubber, wood blocks, cement, etc. Free on request. Have your secretary write...

now. FINNELL SYSTEM, INC., 48 East St., Elkhart, Ind. (District offices in principal cities of U.S.A.—Factories, Elkhart, Ind., and Ottawa, Ont., Can.)

**FINNELL**  
ELECTRIC FLOOR MACHINE  
It waxes It polishes It scrubs

## Business Views in Review

By ROBERT L. BARNES

"IT MUST be admitted that there are many studious and powerful contentions to the effect that we (the United States) are slipping from our moorings. That our insidious divergencies from our original constitutional form are receiving widespread attention is not only a sign that the people are alert and capable, but it is a promise of the perpetuity of the republic through the voluntary correction of erroneous and disconcerting tendencies. And those who make bold to discuss and evaluate these tendencies are not therefore pessimists but optimists. For they thus endorse the power of the people effectually to rule themselves," thinks the *Commercial and Financial Chronicle* in commenting on the Wells-Borah discussion of democracy that appeared in the *New York Times*. The *Chronicle* editorial continues:

"It may be that we are too much content with our own Government. If men who leave to the 'appointees' in office all consideration of the forms and functions of Government could see it slowly dissolving away, they might rouse themselves more in protest. Those who toy with chimeras and theories are not a large or an important class among us. The apathetic are a far larger class. The half-class that vote in large numbers put their trust in the triumph of parties. And it is true that the individual is not always conscious of the power of his individualism... if our representative Government, as a collective expression of a free people, ever dies it will be by our own hands..."

"We have our problems; we will ever have them. Our governmentally guaranteed initiative, enterprise, liberty and labor create them. It will always be so, and our immediate and paramount duty is to solve them, as they come, and it is the individual in and through himself who must solve them. Government cannot save through tyranny... If the individual does not control Government, Government, once constituted, will control the individual... Vigilance, therefore, is the price of freedom..."

"Paternalism is alien to republics. Every appeal by class, section or interest to Government is a surrender of the individual and of individualism. And while no one doubts the perpetuity of our republic, we are at the parting of the ways. We are fast becoming supplicants at the throne of a Government that under our Constitution does not exist but is in danger of existing because it assumes unwonted powers we ask it to assume by our petitions. Legislatures which pass laws empowering paternalism in a representative republic are changing its form, are destroying its protective obligation to the freedom of opportunity and the sacredness of individualism..."

### Beauty Serves the Uses Of Commerce and Industry

NO LONGER relegated to the museum, art now serves the uses of commerce and we find that more and more the useful is also the beautiful. Writing in the August *Atlantic Monthly* an article entitled "Beauty the New Business Tool," Ernest Elmo Caulkins points out that no longer is beauty considered antagonistic to the integrity of a product but is in fact a "commercial selling point."

Walter Chrysler showed that it was possible to make a small car beautiful and Chevrolet proved that people wanted it so. The mere possession of efficiency has not insured to

Ford his markets. People want more than that. "We passed from the hand to the machine, we enjoyed our era of the triumph of the machine, we acquired wealth, and with wealth education, travel, sophistication, a sense of beauty; and then we began to miss something in our cheap but ugly products. Efficiency was not enough. The machine did not satisfy the soul. Man could not live by bread alone. And thus it came about that beauty, or what one conceived as beauty, became a factor in production and marketing of goods."

Mr. Caulkins claims for advertising the credit of this change. Without an attractive product it was impossible to write attractive advertisements of it, and so gradually manufacturers were forced to adopt the idea of beauty as a business tool.

In distribution the use of beauty in "styling" goods has had an interesting economic effect. "People buy a new car, not because the old one is worn out, but because it is no longer modern. It no longer satisfies their pride."

"The consoling thought for us bystanders is that there is now an economic reason for beauty. Art is indicated as a selling argument. Among other things it means that the artist is going to have a better market for the products of his imagination. Buying pictures to help the artist, or endowing art galleries in order that the public may have an opportunity to see beautiful things, is after all a makeshift."

"Subsidized art is of its very nature impermanent. It exists only through philanthropy. If art is the vital force in our lives that it should be, it does not need to ask favors. It does not need to depend upon charity. The only art that can survive and grow is art that is related to our life and our needs, and that has a sound economic foundation."

"It is far better that the world in which we live, our cities, our buildings, and our rooms, to say nothing of our landscapes, should be beautiful with the beauty that comes from appropriateness than that we should buy pictures unrelated to anything in our lives and hang them on our walls, and thus attempt to introduce a little vicarious beauty into ugly surroundings."

### Attack on Industry's

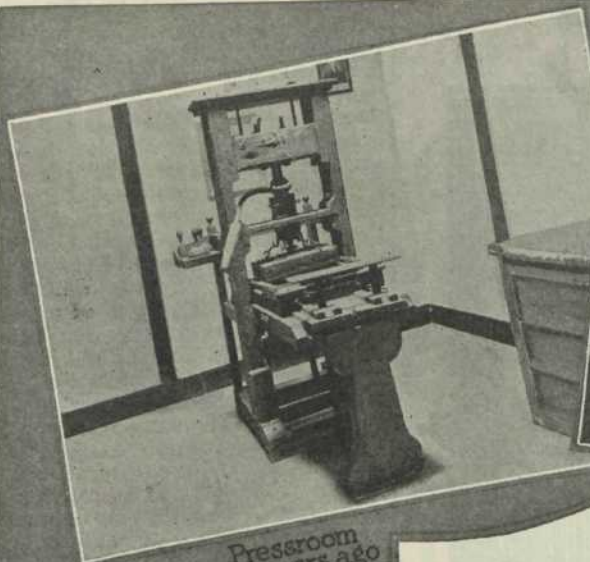
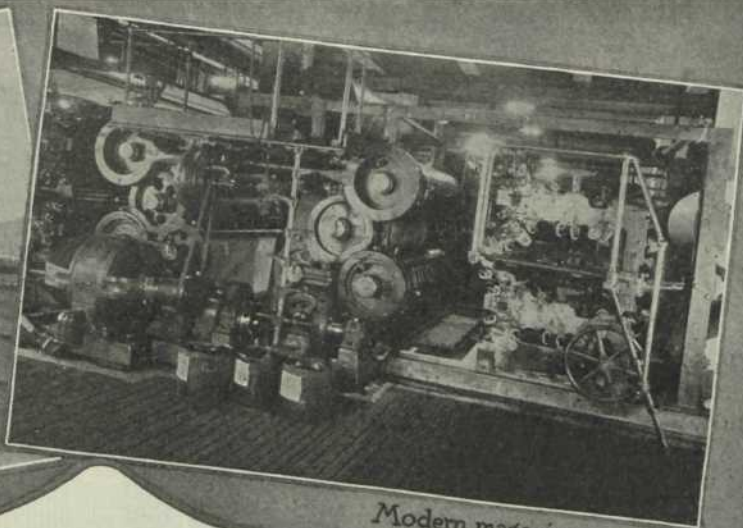
#### Interest in Politics

SOUTHERN RURALIST comments on the statement credited to John E. Edgerton, president of the National Association of Manufacturers, that the national association he represents is launching a campaign "to mobilize the industrial intelligence of the nation for its proper part in the determination of the political policies to obtain during the next quadrennial." Of this statement the paper says:

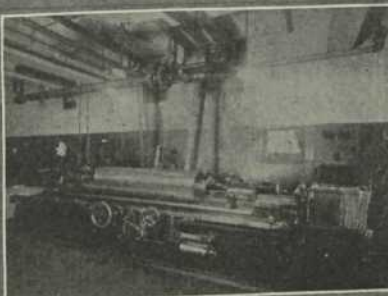
"And here is a great national industrial organization guilty of agreeing 'that the life of industry is intimately related to our political processes,' when agriculture has been told over and over again by the United States Chamber of Commerce that there was nothing in legislation."

"Surely if there is nothing in legislation for agriculture, there is nothing in legislation for industry, and we assume that the NATION'S BUSINESS and all the institutions back of it will denounce this move on the part of the National Association of Manufacturers as being uneconomic if not downright bolshevistic."

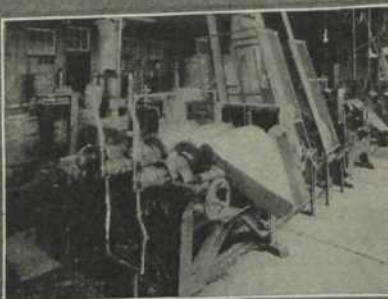


Pressroom  
100 years agoModern magazine  
pressroom

Hand composition



Grinding rotogravure roll



Making printers' ink

### GRINDING—PRINTING

Could the old-time type setter glimpse his followers, the monotype and the linotype—

and the printer of Ben Franklin's day gaze upon the monstrous high speed printing presses of today—

and could they realize the accuracy requirements in steel rolls that produce the modern printer's ink—

Then they'd appreciate the part that Grinding takes in the printing industry—in making practical through swift, accurate, economical manufacture the myriad of fast moving parts in the mechanical workers of today.

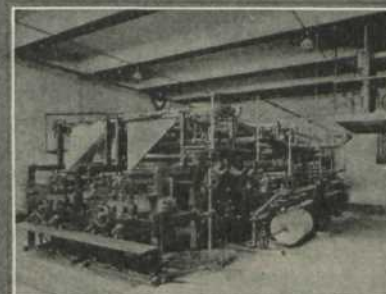
**NORTON COMPANY**  
Worcester Massachusetts



**Grinding Wheels—  
Grinding Machines—  
Refractories—Floor  
and Stair Tiles**



Monotype composition



Newspaper press



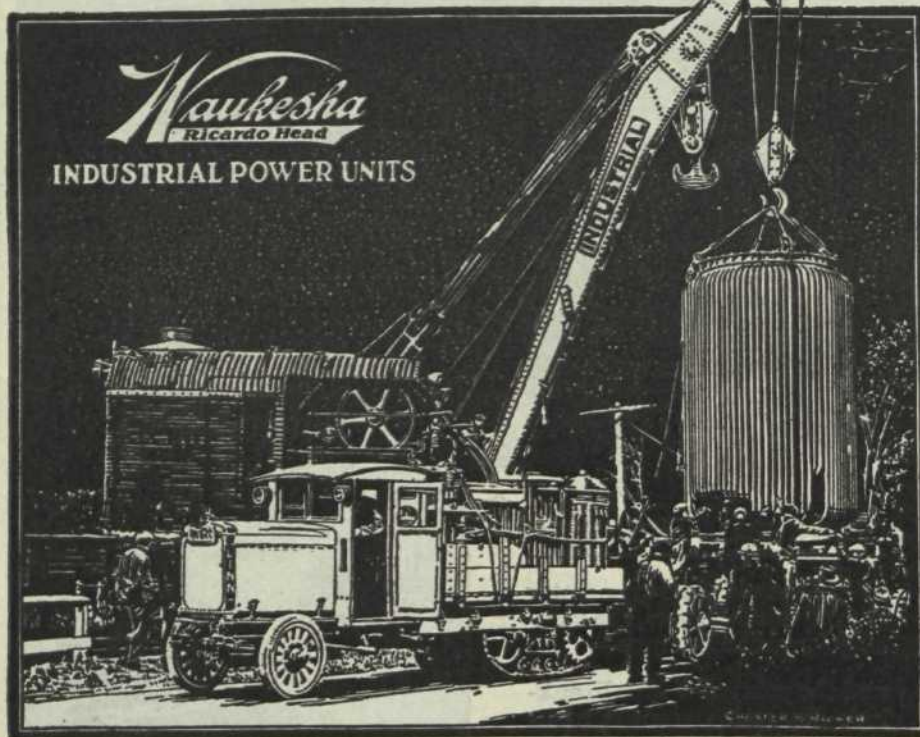
Grinding ink roll

# NORTON



## DEVELOP your "Fringe Markets"

Write Nation's Business about "Fringe Markets"—a booklet.



-651-L

## "Build a Better Mouse Trap and the World will make a path to your door"

**MORRIS**, a small "up state" town in New York is eight miles from the nearest railway. Yet a local mechanical genius, H. H. Linn has brought the world to its door by building a new and improved gasoline automobile tractor.

Although originally designed for logging operations these tractors have become indispensable for driving snow plows in opening up winter highways and for unusually heavy hauling as shown above where a 60-ton load was pulled up a seven mile grade.

**POWER**—lots of it—is certainly needed for such service, but reliability is just as important. Twenty-one years building heavy duty gasoline engines to serve thirty-two different kinds of industry has developed an organization that knows how to get the ideal combination—power and reliability.

**YOU MAY BE INTERESTED** only in the purchase of gasoline engined equipment. It may be a bus, truck, power shovel, concrete mixer, road building machine, air compressor, water pump, oil drilling rig or combined harvester. If it has a Waukesha "Ricardo" head engine, you will find a product distinguished by the service it renders rather than by the price at which it sells.

**PERHAPS YOU, TOO**, have a "Fringe Market" and wish to build a unit requiring economical, portable gasoline power? We can furnish engines or completely enclosed power units varying in size from 20 to 125 horsepower and our engineering advice is yours for the asking without charge or obligation. Just have your secretary put this in the mail with your card. We will do the rest.



HEAVY DUTY GASOLINE ENGINES

G-747-2N

No. 3 of a Series

# WAUKESHA MOTOR COMPANY

Waukesha

Wisconsin

Exclusive Builders of Heavy Duty Automotive Type Gasoline Engines for Over Twenty-one Years

When writing to WAUKESHA MOTOR COMPANY please mention Nation's Business

Of course the whole campaign to lead the American farmer to believe that there is nothing in legislation for him has been false. Both industry and agriculture are bound up inseparably with our 'political processes,' and until agriculture's voice is as effective in shaping political processes as industry's voice is and has been for the last half century, agriculture is going to eat at the second table.

"While political parties are not given to living up to their platforms very religiously, yet this man of industry, Edgerton, is right in his conclusion that it is best to get in your work before both political parties while in convention, and get them committed to those policies which we would have our Government adopt. Both Mr. Harding and Mr. Coolidge agreed to do something for agriculture. Their agricultural promises were strong planks in the political platform of each. And the same old planks will probably be hauled out again in 1928, for they haven't been used. If agriculture isn't on hand at the conventions, they probably won't even be pulled out. If not, agriculture itself will be to blame."

## Volume Production and "Stabilized Prosperity"

**WRITING** in *Scribners* financial department, Mr. Noyes raises several questions about the "stabilized prosperity" in this country. To quote:

"Can the present American prosperity, in the nature of things, be indefinitely continuous? Will not the country's buying capacity be checked at some point, especially when future requirements have for so long a period and on so great a scale been anticipated by 'instalment buying'? If that were to happen, should we not then be confronted with the problem either of overproduction or of vanishing profits from production limited to consumption?"

"That result has already been brought about in the grain and cotton industries. It was the basis of a recent and very urgent appeal by the oil trade for the Government to help it in forcibly restricting output, so as to remedy a condition of overproduction and unremunerative prices which was explicitly declared already to have become desperate, and the effort to curb the excessive production has thus far failed.

"As against the acknowledged overproduction in numerous crude materials, steel and textile manufacture is confronted with a capacity of production far beyond the maximum consuming power. Each has successfully avoided recourse to the old-time war of prices, but the slow decline of prices has continued."

What is the answer to the volume problem? More and more this is being studied and it is being taken less and less for granted that increase in sales will increase profits. We find figures in *Commerce and Finance* showing that whereas in 1870 only 10 per cent of the population was engaged in distribution now more than 25 per cent are trying to "Smash that record."

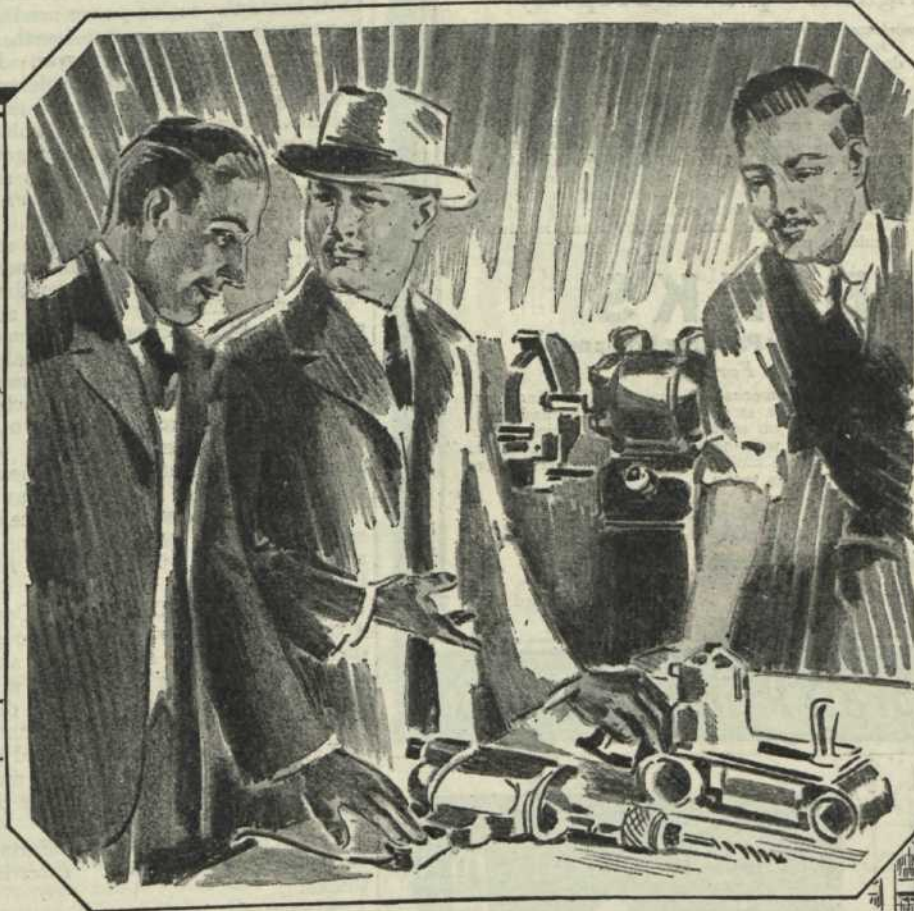
"Business progress is today registered by beating quotas," according to W. R. Hotchkiss, writing in *Advertising and Selling* an article entitled "Volume Madness, the Profit Waster."

"The greatest wasters of the age are not the profligates who squander money on mad efforts to give surcease to a dull life. They are the benefactors who make the money flow back into industry; for if we did not have many thousands, in some commodities, millions, who consumed things madly, there would be no market for which to produce them madly."

"The greatest money-wasters are those manufacturers and retailers who fail to make



# The "Nameless" Motor that Proved its Pedigree.....



THE holder of patents for a commercial appliance contracted with the Domestic Electric Company for motors, and with another manufacturer to build the appliance itself.

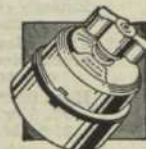
Production was started and first deliveries were under way when a Domestic representative made a "get-acquainted" call on the appliance manufacturer. Naturally the latter asked questions about the Domestic organization—its product, experience, standards of manufacture, and guarantees of dependability.

By way of answer the Domestic representative pointed to three appliances, bearing famous names, which chanced to stand near-by. All were appliances which the manufacturer knew, and in which he had highest confidence. All three have been for years powered with Domestic motors. Thus, a few words "proved the pedigree" of a motor that so often wears no name-plate in actual daily service.

MORE often than not, a Domestic Electric motor loses its identity as soon as it is installed, and becomes, so far as the final user is concerned, a "nameless" motor—part of the appliance in which it serves. This is as it should be. Dependable motor performance rightly reacts first to the benefit of the appliance manufacturer, and through him to the credit of the Domestic Electric Company. We gladly assume responsibility for correct application, faultless work-

manship and efficient operation. We are content that our reward shall come in the form of recognition from the appliance builder, based upon the satisfaction of his customers. In other words, the Domestic Electric organization functions as a department of any business it serves. A line of inquiry will bring information on any problem involving the manufacture or sale of appliances powered with fractional horsepower motors.

THE DOMESTIC ELECTRIC COMPANY  
7209-25 St. Clair Ave. CLEVELAND, OHIO



For protection from overload—the Domestic Automatic Safety Switch

**Domestic**  
"INDUSTRY'S BIGGEST" "LITTLE THING!"  
**Electric Motors**  
FRACTIONAL HORSEPOWER

When writing to THE DOMESTIC ELECTRIC COMPANY please mention Nation's Business



# Spray-Paint Your Buildings

## ~at a Low Cost!

### Let This Fast Spray-Gun Brighten Up Your Property

Any workman can now cover 1,000 square feet and over per hour. Our simple directions show him how. You can transform dark shops and offices into light, sanitary work-rooms at a low cost. Let brightened court walls and elevator shafts reflect light into your building. It pays!

The force of the spray from the quick and handy, Binks Spray Gun reaches all cracks and holes where decay starts. It reaches corners no brush ever can. Used by thousands of industrial concerns on wood, brick, plaster and metal surfaces, on their buildings, their equipment and in finishing their products. It deposits with equal facility, all lead and oil paints, varnishes, enamels, lacquers, graphites, red leads, oxide and aluminum paints.

## BINKS

### Portable Spray Painting Equipment Pays For Itself

Once you own this mechanical painting machine, you will reap the benefits of a small investment over and over. On your first painting job of fair size, your savings over brush-and-pail methods will more than pay for the outfit. Interesting details will be mailed without obligation to you. Write us for these details today.

### BINKS SPRAY EQUIPMENT CO.

Dept. H., 3128 Carroll Ave., Chicago

Offices in Principal Cities

Established 1898

## It Pays To Own a Spray Painting Outfit

### Hand Painted Buildings and

### Walls are Expensive

**You Can Save 3/4 of Your Inside and Outside Painting Costs**

with the  
**Paintair  
MACHINE  
and  
Pneu-Gun**



Revolutionary improvements in power painting have been effected by this equipment. It puts on the paint much faster and more evenly. No special paints or skill in mixing them required. Perfect mechanical balance insures years of trouble-free service. The Pneu-Gun sets a new standard for mechanical efficiency. Has from 8 to 20 parts less than other guns and is fully one-third shorter. Revolver-like balance. No exposed parts to be damaged. A light touch on sensitive one-finger trigger material control instantly changes width of paint stroke.

The Following Figures are Based on an Analysis of over 60 Jobs

Hand brushing 456 Sq. Ft. 3 hr. 10 min. at \$1 per hr. .... \$3.17  
Air brushing 456 Sq. Ft. 20 min. at \$1 per hr. .... 0.34  
Gross saving in labor costs by air brush 2.83  
Cost of paint by hand brush ..... \$1.80  
Cost of paint by spraying unit ..... 2.00

Net saving effected by spraying unit ..... 2.63  
America's Headquarters for Spray Finishing Equipment

**MELLISH HAYWARD CO.**

Manufacturers  
211 W. Austin Ave. Chicago, Illinois

Please send me catalog 120 and give me details on saving 75% to 90% on painting costs by power-painting with the Paintair Machine and Pneu-Gun.

Name .....  
Address .....



### A Glorious Golden VOICE for your Country Estate

ON Long Island, on Catalina, in Florida, charming estates have been made even more charming. They have been given a VOICE. Golden-toned Deagan Chimes have been installed to give expression to the scenes of beauty and loveliness in which they are set.

The sweet, far-reaching, indescribably mellow song of these chimes has become part of the community itself—eagerly awaited by all within reach of their golden notes. The estates have become known far and wide as "the home of the chimes."

It is hard to imagine a more satisfying investment, a more lasting source of gratification, than Golden-Voiced Deagan Chimes for country estates. A booklet describing a few of the installations made and giving other interesting details, has just come off the press. May we send you your copy?

**J.C. Deagan Inc.**

272 Deagan Building  
CHICAGO

a fair profit on the golden market that they exhaust, because in their mad scramble for abnormal volume, they waste much of their deserved profit in hammering down the wall that should protect them from diminishing returns."

*Dry Goods Economist*, in illustrating the futility of driving merely for volume, writes:

"It is like trying to increase the speed of a ship. She uses engines of 10,000 horsepower to get a speed of 20 knots. To increase that to 25 knots the engine power needed is 15,000 horsepower. To gain one-fourth in speed, you use one-half more power. Likened the ship's speed to your sales volume and the engine power to your cost of getting that volume. You get the extra volume result you strive for, but the cost of getting it is enormously high, and that cost attends on not only the sales above last year's total, but on all the sales."

*Iron Age* sees a danger to the stability of industry if production is increased without the market being able to take the increase. "Greater productivity fails to achieve its end without a corresponding expansion of markets. Cheaper output may make it possible for a larger number of consumers to buy, but unless there is also the inclination to buy, the gain in productivity is to no avail."

The Distribution Census on which the Domestic Distribution Department of the National Chamber is working may offer one way of getting distributive processes on as scientific a basis as manufacturing processes now are, according to *The Dodge Idea*, which thinks:

"The Baltimore Distribution Census gives a very comprehensive picture of our complex distributing system and if it is as practical as early indications promise it will not be long until our entire national distributing system is mapped out in this manner. When this actually does occur, it should go a long way toward placing our selling methods on the same scientific plane that our production methods occupy."

This census is one of the efforts to "take guesswork out of business." *Electrical World* thinks:

"Man-made laws cure no economic ills. Out in the corn belt the making of sugar, wallboard, artificial silk, twine, and heat-insulating materials from cornstalks will do farmers more good than any laws Congress may pass. What is needed in agriculture is a few more quiet scientists who devote their minds to productive chemical research instead of a host of demagogues and quacks who devote their mouths to destructive politics. The parallel holds for many economic ills in the electrical industry."

### Is Business a Profession?

### Teaching It on That Basis

PROFESSOR RIPLEY has shown us how little most owners have to do with the management of their corporations. There has grown up a new race of functionaries, the almost independent managers of these great enterprises. In commenting on Owen D. Young's speech at the dedication of the new buildings in the Harvard Graduate School of Business, in which Mr. Young stressed the importance of business as an institution rather than a device for getting rich, the *New Republic* writes:

"If these undesirable consequences of the institutionalizing of business are to be avoided, the executive must receive a training, and he must move in a world of ideas, adequate to maintain professional standards based upon the conception of business as an integral part of society, with a cooperative function in the general welfare. He must regard as desirable full publicity for results



and methods, the elimination of waste, the installation of better devices, the improvement of the product, the lowering of prices, and the raising of wages, whether or not such activities contribute to the utmost possible profit.

"He must understand the obligation of his concern to the industry of which it is a part, to the community of production and trade, to the employees, and to the life of the nation. He must see that unless industry makes possible not merely national prosperity as it is currently understood, but a fine way of life for those who participate in it, its dominance in the nation will in the end be ruinous.

"The possibility of such a regime may be scoffed at, both by the conservatives who see no need beyond existing arrangements, and by the radicals who deny that any good thing can arise in what is generally called capitalist society, without a complete overturn which would purge it altogether of private ownership and the profit motive.

"If either of these groups is right, surely business cannot be a profession, and the attempt to professionalize it is only so much hokum—a sentimental smoke-screen thrown over the penetration of our universities by market-place values. But they cannot be proved either right or wrong unless a vigorous attempt is made to teach business as a profession on the broadest possible basis. Nothing less than this can be the justification of a serious school of business administration."

### Plenty of Orders but No One Is Making Money

THIS seems to be the consensus of opinion among the trade papers. Let us see briefly what are some of the problems that different industries are facing.

**Chemicals:** According to the *Oil, Paint and Drug Reporter*: "The rationing of business in the chemical industry is steadily gaining adherents in Europe. Apparently the belief is widespread that this is the only method which will avoid ruinous competition and provide a possible means of preventing the elimination of certain lines of production through the development of substitutes from wholly different sources."

What does this formation of European cartels mean to the American chemical industry? Of this *Chemical Markets* says:

"The danger lies not in our lack of raw materials, not in the backwardness of our industrial processes, and only to a limited extent in the vaunted superiority of foreign chemical research. But as the European program perfects and extends, the American chemical industry is going to be menaced by its inability to meet the situation on equal terms. The temper of our people is distinctly antagonistic to enormous concentrations of industrial and financial power. We have laws flatly forbidding it, and even the concession that allows combination for export trade and the protection of high-tariff will not be able to place us on an equally competitive basis."

**Lumber:** With the almost universal ownership of automobiles has come the development of the summer resort cottage. This, according to *The Lumber Manufacturer and Dealer*, may mean much to the lumber dealer to whom it offers an excellent trade opportunity.

Lumbermen seem to be at grips constantly with some problem or other. The latest, according to *Southern Lumberman*, is the application of "eugenics" to tree culture. The magazine is a bit skeptical of the benefit of this study but sees in it perhaps a help to the pulpwood users.

**Boots and Shoes:** *Shoe and Leather Re-*



## These portfolios help to answer a problem of business management

Today every great industry and every unit in industry is dependent upon the good will of the public. Executives are interested as never before in their public relations.

Letters, statements, invoices, advertising, all go to build up impressions and personality. And the business man who seeks constantly to get a fresh perspective on his policies, methods, and markets, can afford, too, to think seriously about such a matter as the business stationery which his company uses.

Business letters should be written in natural language. The heading should be simple in design. The paper should have the look and "feel" of crisp, tough, all-rag quality.

*Crane & Company offer you portfolios containing letterheads and sets of the more important business forms which show how good design and all-rag paper get the most value out of business stationery. Write now—before you forget it.*

## Crane's Bond

A 100% NEW WHITE RAG BUSINESS PAPER

CRANE & COMPANY • DALTON, MASS.



IT'S THE YOUNGER CROWD THAT SETS THE STANDARD!

GO to the younger crowd if you want the right word on what to wear or drive or smoke. And notice, please, that the particular cigarette they call their own today is one that you've known very well for a very long time.

FATIMA



What a whale of a difference just a few cents make!

### New Facts on Retailing and Wholesaling

A THOROUGH census of wholesale and retail trade, including 15,000 business establishments, has been completed in Baltimore, Maryland, by the United States Census Bureau.

From these new figures, a report has been prepared by the Domestic Distribution Department of the United States Chamber of Commerce. Tabulations have been made in forms arranged to yield the sort of information the business man can use. Exact facts—classified on 45 different kinds of stores—are given on

Sales	Salaries and Wages	Stocks
Employees	Percentage of business done	

Copies of this report, "A Distribution Census of Baltimore, Maryland," may be obtained at 25 cents each.

DOMESTIC DISTRIBUTION DEPARTMENT

United States Chamber of Commerce

Washington, D. C.

porter calls the attention of the trade to the possibilities of developing an export trade and to the aid that the Department of Commerce can render to those interested. Their reasoning is simple. "Our productive capacity has outrun the apparent consumptive power. . . . We have exportable surpluses and there are foreign markets in need of them."

**Railroads:** "Fighting the Motor Bus" is on the decline according to *Railway Age*, who find that railways are understanding more clearly that the motor bus cannot be opposed successfully in some cases and that it should not be in others. Railways can, according to this magazine, successfully fight legislation that would give bus operators too free a rein:

"With an increasingly sympathetic attitude among state regulatory commissions, the railways are also able frequently to prevent bus competition by means of proof that their service is adequate from the standpoint of public necessity and convenience. After a bus line is started, railways can carry on the fight for traffic by improving the service of their passenger trains, and by calling the 'all-year-round' merits of their service to the attention of their patrons, although this is only occasionally successful, for it cannot be denied that the motor bus can do some things better than railway trains can do them."

**Hotels:** From the *Hotel World* we gather that the hotel operator is fast becoming a travel bureau for the motorist. "It can almost be predicted that in days to come the hotels on the highways will be points of information for tourists and other autoists just as in the olden days the inns were the contact points for the caravan traveler who crossed the country in his cart and sought information of the surrounding country from the innkeepers as he went along."

**Horses and Motors:** In commenting on the recurring report that there are as many horses in use in this country as there ever were, the *Cleveland Trust Company Business Bulletin* points out that since the maximum of 20 million horses on farms maintained from 1912 to 1918 the number has been cut almost in half.

It is clear that even the farm horse is being displaced in ever increasing numbers by the motor vehicles. The economic implications of the transition are important. As the motor displaces the horse thousands of acres of land used for raising hay and oats are released for other crops; the amount of human labor needed on farms tends to be reduced; and the need of the farmers for greater money incomes is increased.

**Refrigeration:** From the *Electric Refrigeration News*, a paper even younger than the industry it represents, we get an interesting view of the relations between the ice and the electric refrigeration industries. An editorial reads in part:

"Look out for the ice man! He is getting wise. Awhile back he was scared; next he was sore. In both situations his antics were ludicrous and harmless. Now, according to reliable reports, he has gone into training. He is preparing to fight scientifically."

"It develops that ice also has many merchandising possibilities. Already a number of new stunts have been tried with marked success. The imagination of the ice industry has been stirred. Radical departures from old-time methods are in the offing. Last year discontent, and even despair, marked the attitude of the ice interests. Today a new tone is noticeable throughout the published reports of proceedings at the various association meetings. Enthusiasm has supplanted depression."

"We congratulate the ice industry on the new trend of thought. We look forward to



# Thirteen Times the Man Power of Industry in Untiring *Unseen* Workers

*How carefully you have chosen Motor Control  
decides how efficiently they are employed*

It takes more than a "trip through the plant" to know the efficiency of production today—in any industry. A most important factor controlling costs does not show on casual observation.

What is the army of *unseen* workers—the "man power" of electric motors—doing? Thirteen times in number the total payroll of industry—and yet *they* work *unseen*!

When you install motors you merely put these *unseen* workers at their posts of duty. Spinning wheels and laboring machines merely prove their presence.

Cutler-Hammer engineers are ready to co-operate with your plant men or consulting engineers in making a survey of your plant to see that Motor Control is correctly chosen for every drive. More than 30 years' experience supports their recommendations and this service entails no obligation or expense on your part.

## The CUTLER-HAMMER Mfg. Co.

Pioneer Manufacturers of Electric Control Apparatus

1251 St. Paul Avenue

Milwaukee, Wisconsin

For the more common motor applications, Cutler-Hammer engineers offer a standardized line of Motor Control apparatus. What each type does, and how it can be used, is fully described in the C-H Catalog, which plant men use for ready reference. Thus the C-H trade-mark, wherever it appears, means the control has been properly chosen to fit the job in hand. An example of such apparatus is the C-H 9586 A. C. Automatic Starter illustrated—one of the series of C-H "Across-the-Line" or "X" Starters. These provide for push button starting and stopping of motors and are fully enclosed for safety. They protect motors against dangerous overloads, but are so designed that production is not halted by momentary current surges. These starters are great time, power and equipment savers and find scores of uses in any plant. Four pages in the C-H Catalog tell your plant men how, when and where they should be used.



How well they are employed, how completely their untiring strength and super-human abilities are utilized to reduce costs—this, you cannot see. In industry today, much of this invisible "man power" of motors, already on the job and paid for, is loafing undetected.

Ask for a survey of your equipment to make sure Motor Control has been chosen to fit the production jobs in hand. In the purchase of new machinery, in which motor and control are furnished by the machine builder, insist on C-H Control. The C-H trade-mark on ALL your Motor Control is your best assurance of efficient, dependable production.



Report 3020—In a rubber tire plant, excessive wear and maintenance resulted from the operating conditions imposed on the tire making machines. These machines were started and stopped continually, the motor being reversed twice during each cycle of the operation.

Cutler-Hammer engineers dispensed with a troublesome brake used on each machine, and applied C-H Automatic Motor Control which interlocked the steps of the cycle. Operation was reduced to simple push button control, and the motor was stopped automatically by plugging. The unproductive part of the cycle (stopping) was shortened to such an extent, and wear on the equipment was so reduced, that the savings obtained paid for the change in a few months.

"Industry's Electrical Progress,"—this book telling the story of savings made in the careful choice of Motor Control points the way to economies too important to neglect. Write for your copy today.

Thirteen times the  
Man Power of Industry  
hidden away in electric motors

The electric motors of industry today, totaling about 29,000,000 horsepower, represent the working capacity of 246,500,000 men or 13 times that of the 18,673,000 workers on industry's payroll.

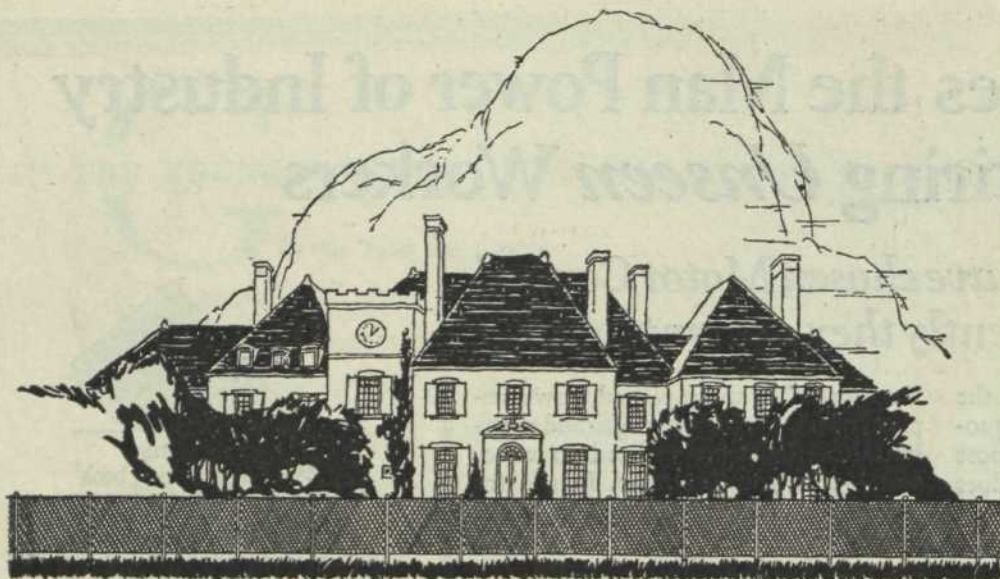
13

# CUTLER-HAMMER

## Industrial Efficiency Depends on Electrical Control

When writing to THE CUTLER-HAMMER MFG. CO. please mention Nation's Business





## Every Fine Estate — Should Have This Protection!

THE feeling of security that American Chain Link Fence gives you alone is worth many times its cost. You know that your premises and your home are *protected*. You know that its unbreakable chain-link construction will serve year after year in safeguarding you against dangerous and malicious trespass.

American Chain Link Fence also lends an atmosphere of charm to the grounds it

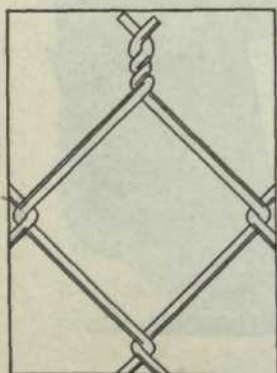
surrounds. It keeps them looking neat and orderly. And it is easy to install and maintain.

May we send you beautiful booklet outlining American advantages?

AMERICAN WIRE FENCE COMPANY

7 South Dearborn Street, Chicago, Ill.

Factory: Libertyville, Ill.



# AMERICAN CHAIN LINK

Manufacturers of Superior Wire Fence for over 25 years

the active participation of the ice industry in a continuous, constructive effort to bring about a widespread public understanding of the necessity for adequate food protection by complete all-year refrigeration service. Both the ice and electric refrigeration proponents will be benefited—as well as the public."

*Textile:* *Textile World* thinks that the tariff will be a live issue and tells its readers: "In any case it is none too early for a clarion call to go out to textile and other manufacturers awakening them from their tariff lethargy and putting the fear of drastic tariff reduction before them."

If we don't hang together we will hang singly seems to be the attitude on the tariff of the *West Coast Lumberman*, which, in an editorial entitled "South Asks Duty on Canadian Lumber," says:

"An interesting part of this movement is that the southern people are linking up their plea for a tariff on lumber with one on cotton, which should give added strength to both.

"The *West Coast Lumberman* believes sincerely that western lumbermen should lend their support to this movement, and that a duty should not only be placed on lumber, but by all means on red cedar shingles."

In discussing the probability that some congressmen want to tinker with the tariff for the benefit of the American farmer, *Export Trade and Finance* says:

"Admitting that by a suitable juxtaposition of figures it can be demonstrated that the reduction of the rate of duty on this or that product will increase the price of wheat a cent per bushel, as a matter of pure theory. By the time anything of the sort could be put into effect a roar would go up from some industrial group about the detrimental consequences to its interests. And so it goes—around, around, around.

"... And when folks push forward with suggestions to do something or other to it, in whole or in part, as a cure for some quite dissociated ill, the exporter's attitude should be, 'Stop! Stand back! Let's study this thing awhile from all angles instead of from just a single point of view!'"

### Trade Papers Comment

#### On Annual Meeting

*MANUFACTURER'S RECORD*, commenting on the Fifteenth Annual Meeting of the Chamber of Commerce of the United States, says "it brought together, along with lesser luminaries, some of the best business brains of this generation. Bankers, manufacturers, dealers in many lines, to the number of 2,500, assembled to discuss the outstanding business problems of the country, national and international."

According to *The American Contractor*: "It was the most successful and in many ways the most profitable meeting in the history of the national body." These two comments are typical of many that appeared in various publications.

*Automotive Industries*, looking at the meeting from its trade angle, wrote that: "American business is apparently well satisfied with the constructive policies for automotive development upon which the industry has been building its progress for a number of years. . . . A noticeable lack of contention with little or no dispute or differences, characterized the various discussions of automotive topics which came up."

One of the interesting meetings was that of the Transportation and Communication Department. During the discussion of a merchant marine policy, Chairman O'Connor made the declaration that the Shipping Board was against a policy of new ship con-



struction and that it wanted to get out of business as soon as possible.

*Traffic World* discusses his declaration and the record of the Shipping Board at length. We quote parts of the magazine editorial:

"As to new ship construction, Chairman O'Connor was speaking about the proposal for an appropriation of \$250,000,000 for new ships. It was as to that that he said the board was not back of any such proposal. The record otherwise, however, does not bear out the statement that the board 'does not contemplate the investment of public monies in new ship construction,' as stated in the Chamber resolution. In the tenth annual report of the Shipping Board to Congress for the fiscal year ended June 30, 1926—the board's last annual report—the following appears:

"Action by Congress having in view the replacement of vessels of the present government-owned fleet becomes more urgent with the passing of each successive session."

"If Congress passes the Jones bill, we think the Government will engage practically in permanent government ownership of a large part of the merchant marine in foreign commerce under the American flag. If the Government should put substantial sums into new ship construction, it is futile to argue that these new ships would pass in a relatively short time to private ownership. Each time the Shipping Board has sold shipping lines including ships built to meet war needs, it has been criticized in Congress on the ground that it was giving ships away."

"This criticism has had an effect on the board. If the board attempted to sell new ships built for replacement purposes at figures that private ship owners could afford to pay, there would be substantial criticism of such action. The tendency would be for the Shipping Board to retain possession of the ships. Another consideration that enters into the matter is that, if the Government should engage in a replacement program, private operators under the American flag would have little incentive to attempt to continue in business."

## America in the Year 3000 or Where Machines Will Lead Us

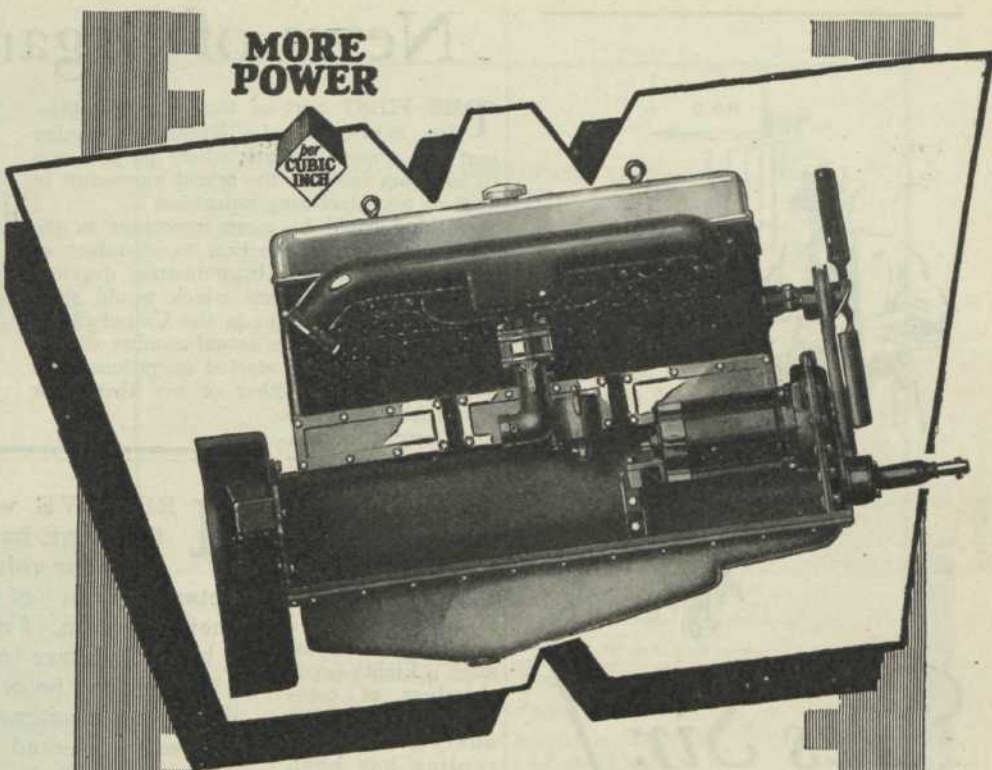
**P**ROJECTING the present into the future Aldous Huxley writing in the August *Harpers* finds the world in the year 3000 highly standardized and America playing the part of brakes on the wheels of progress. He sees a world so highly efficient but also so standardized that though one could go from Kansas City to Peking in a few hours there would be little reason for doing so since both cities would be so much alike.

He has thought this to say for mechanical invention. "The mind is nourished by its impressions from without; to enlarge one's physical world is to enrich one's mind. . . . Machinery, then, has created leisure and multiplied the number of impressions which men and women can receive. Universal leisure and variety of impressions make possible a rich universal culture. Machinery has set up a tendency towards the realization of the fuller life."

Present political democracy will be discarded and we shall have a material democracy guided by an aristocracy of intellect. "A state in which men and women are guaranteed a decent human existence and are given every opportunity to develop such talents as they possess, and where those with the greatest talent rule." In the Fascist, Communist, and Kuomintang parties he sees the inadequate precursors of this state for "a country cannot go on indefinitely being afflicted by Thompson elections and antievolution laws."

**MORE  
POWER**

per  
CUBIC  
INCH



## Earn Leadership!

Tomorrow's leadership is destined to those far-sighted manufacturers of trucks, busses, tractors, and industrial machinery who *earn it* by today's performance records. Wisconsin Motors help make such records.

Superior in theory—superior in practice—Wisconsin's specialized overhead valve design offers you "More Power per Cubic Inch," notable economy of fuel and oil, long life and low service costs. Specify Wisconsin power and you take a long stride toward tomorrow's leadership.

WISCONSIN MOTOR MFG. CO.  
Milwaukee, Wisconsin

Wisconsin Motors—Four or Six—20-horse to 120—will do a better job for you than any comparable motors—whether you power with them a truck, bus, tractor or construction machine. May we send you the facts and figures?

**Wisconsin**  
CONSISTENT

When writing to WISCONSIN MOTOR MFG. Co. please mention Nation's Business





# Yes Sir!

## ROOMS ARE LARGER AT THE DETROIT-LELAND



### Where Luxury is Homelike

It is truly amazing how swift and far this news has traveled—that rooms are larger at the new Detroit-Leland. On every train someone is telling others the good news.

Important for sales travelers, too, are the really finer, and far larger sample rooms, with bath and in-a-door bed. All are outside rooms so that goods may be shown under natural light. Outstanding advantages in all rates and prices will gratify you.

**700** Large Rooms  
with Bath  
85% are priced from \$3.00 to \$5.00

## DETROIT-LELAND HOTEL

Bagley at Cass, Detroit, Michigan  
(a few steps from the Michigan Theater)

WM. J. CHITTENDEN, Jr., Manager  
Direction Continental-Leland Corporation

Larger Sample Rooms  
from \$5.00 to \$8.00 per day

# News of Organized Business

THE FIRST part of this year Organization Service of the National Chamber sent out a questionnaire, whose purpose was to ascertain facts on the actual movement in 1926 of manufacturing industries.

Nothing could be more important in the way of factual information to chambers of commerce interested in industrial development than a statement which would show for practically all cities in the United States for each past year the actual number of new industries which had started operations, with notations as to whether or not these new industries were of local origin, branch plants or removals from other cities, and with some simple standard to measure their size.

The questionnaire was designed to make just such a compilation possible. Eighty-seven chambers of commerce replied. An analysis of their replies has been made, with the assistance of the National Chamber's Department of Manufacture, and published in a mimeographed statement entitled, "The 1926 Movement of Manufacturing Industries."

This statement shows for each reporting city, arranged alphabetically by states, the total number of new industries which started operations in 1926, with distribution of these totals under the following heads: Local Origin Financed by Local Capital; Local Origin Financed by Outside Capital; Branch Plant; Removals from Other Cities. Under each of these heads is given the number of industries which fall under the heading in question, and the total number of employees, male and female, which they employ, where this latter information was furnished.

The grand totals of this summary for 87 communities show that 618 new industries started operation in these cities in the year 1926. Of these 618 new industries, 302 were of local origin financed by local capital, 130 were of local origin financed by outside capital, 98 were branch plants, and 88 were removals from other cities.

If the replies received were from a much larger number of chambers of commerce and were in every case complete answers, this analysis could be carried much further to the benefit of all interested. It could show, for example, by lines of industry the number of plants which had started operation in the given year and their relative sizes, as indicated by the number of their employees. It could also show where were located the manufacturing concerns which were establishing branch plants, and where the branch plants were being located.

It could also show from what cities to what cities removals were taking place. In other words, it could present for the given year an exceedingly interesting and worthwhile pic-

ture, based on actual facts, of the movement of industries. There can be little doubt of the value of such an analysis for all local chambers interested in industrial development.

The following statement from the Industrial Commissioner of the Kansas City, Missouri, Chamber of Commerce, illustrates the kind of cooperation needed to make this study a real success. "In Kansas City we went to a considerable trouble to check up on our industries in filling out this questionnaire—to make certain that the reports we submitted were on manufacturing industries and

not on other kinds of new concerns. This is exactly the kind of analysis we need. It gets right down to brass tacks. If it included reports, not from 87 cities, but from the whole country or from the major part of the cities in the country, it would be invaluable. It would show us just what lines of industry were represented in this much discussed decentralization or migration of industry, and just what phases of it were most important."

Organization Service would like to enlist the cooperation of every chamber of commerce, with the possible exception of a few large cities where compilation of the data would involve altogether too much

"I BELIEVE we now, for the first time, have the method at hand for voluntary organized determination of standards and their adoption. I would go further; I believe we are in the presence of a new era in the organization of industry and commerce in which, if properly directed, by forces pregnant with infinite possibilities for moral progress.

"I believe that we are almost unnoticed in the midst of a great revolution, or perhaps a better word, a transformation, in the whole super-organization of our economic life. We are passing from a period of extreme individualistic action into a period of association activities."

—Herbert Hoover

work in making the necessary records in the present year, so that when 1928 comes around they might obtain for the present year of 1927 complete replies from every community to this "Movement of Industries" questionnaire.

In other words, they will send out another questionnaire on this subject January 1, 1928, to obtain the data for 1927. They urge that you plan now so that the data will be available when this next questionnaire goes out.

### Try This New One!

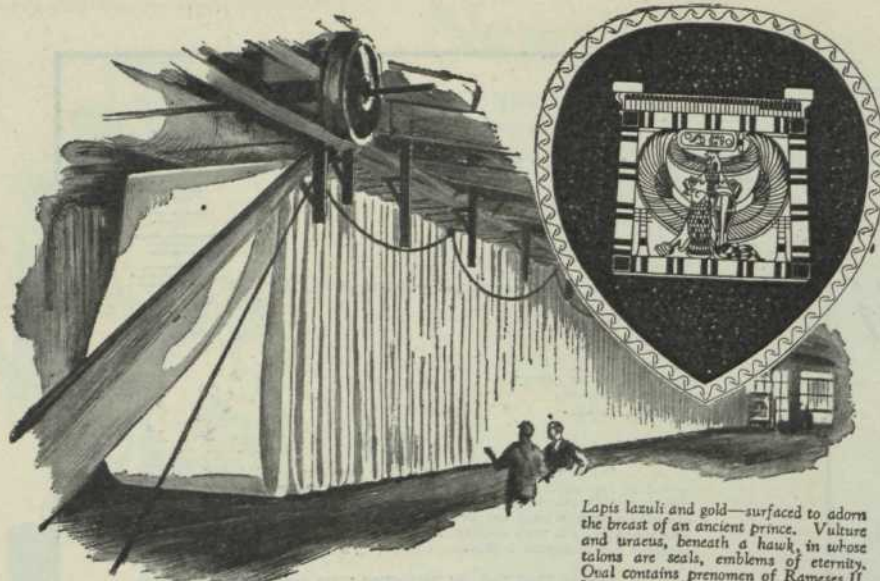
ORGANIZED about a year ago to attract the tourist movement and to focus the attention of investors, settlers, etc., on the opportunities in the Sacramento, California, region, the Sacramento Region Citizens' Council is an organization embracing twenty-one counties of Northern California. A speech made at one of their meetings is particularly interesting as indicating a change in policy, a change of emphasis from trying to get population to trying to get markets for local products. A realization of this need for markets is going to become more general in the next few years. The gist of the idea is contained in this extract from the speech of the organization's president:

I submit that, if we confine our activities entirely to attracting tourists, investors, and settlers and stop there, we are committing the worst economic crime possible. Primarily, what we need and want is not









Lapis lazuli and gold—surfaced to adorn the breast of an ancient prince. Vulture and uraeus, beneath a hawk, in whose talons are seals, emblems of eternity. Oval contains prenomen of Rameses II. [From the tomb of Kleopatra (Louvre).]

## BEAUTIFUL SURFACES

*In printing, as in all other arts, success depends upon the perfection of a surface.*

Your ideas may be brilliant, your copy persuasive, your engraver's proofs gorgeous, and the costly gathering of names through advertising may be successful; but if the sheets of paper on which you print your message are not beautifully surfaced, to adorn and hold the detail—then the whole thing goes *blab!*

The first essential—the very foundation—of good printing is coated (surfaced) paper. Coated Paper perfects the minutiae of halftones and color plates, and has a feel and appearance that makes reading a pleasure.

One of the world's largest producers of Coated Papers are the Cantine mills, which for forty years have been devoted to coated papers exclusively. From Cantine specialization, experience and facilities come dependable quality with economical production and ideal service. In the Cantine Sample Book you will find colors, weights, grades and sizes for every need.

Cantine jobbers service the country with quick deliveries. Write for nearest address, sample book, and details of our Prize Awards for outstanding skill in advertising and printing. Address Dept. 460.

THE MARTIN CANTINE COMPANY, Saugerties, N. Y.  
New York Office, 501 Fifth Avenue

## Cantine's COATED PAPERS

CANFOLD

ASHOKAN

ESOPUS

VELVETONE

LITHO C.I.S.

### Orders - Inquiries



### POLK'S REFERENCE BOOK and Mailing List Catalog

Gives counts and prices on over 8,000 different lines of business. No matter what your business, in this book you will find the number of your prospective customers listed.

Valuable information is also given as to how you can use the mails to secure orders and inquiries for your products or services.

Write for Your FREE Copy

R. L. POLK & CO., Detroit, Mich.  
Largest City Directory Publishers in the World  
Mailing List Compilers—Business Statistics  
Producers of Direct Mail Advertising

### LITHOGRAPHED LETTERHEADS

**\$1.25 per 1000**

IN LOTS OF 50,000  
25,000 at \$1.50—12,500 at \$1.75 or  
6,250 our Minimum at \$2.25 per 1000  
Complete—Delivered in New York

**ON OUR 20 LB. WHITE PARAMOUNT BOND**

A Beautiful, Strong, Snappy Sheet  
HIGHEST GRADE ART WORK AND ENGRAVINGS

GEO. MORRISON COMPANY  
553 West 22nd St. New York City

SEND FOR BOOKLET OF PAPER AND ENGRAVINGS

### FACTORY REPRESENTATIVE

Let me handle your business and sales in this territory on commission basis.

Special work on per diem basis

Experienced in Manufacturing, sales, finance and credit

**W. C. FAUQUER**

P. O. Box 235

Evansville, Ind.

people to come here but people to eat, wear, and otherwise use what we produce.

Merely to bring people here to invest and settle may do nothing more than to lead to further overproduction, to a greater call upon our inadequate roads, to an increased demand upon our undeveloped water facilities. When we appeal to possible settlers, investors, and tourists, we address ourselves to only an infinitesimal fraction of the world's population; but when we ask the people to consume our products, we are speaking to 1,400 millions of potential customers, every one of whom will patronize us if we are wise enough to know what to produce, and then produce it, and get our story over.

Such a change of policy is particularly noteworthy, coming from California where the emphasis has been for so long and so intensively on getting people. Further information may be obtained from the Secretary of the Council, Sacramento, California.

### Will Honor Veteran Secretary

S. C. MEAD, Secretary of the Merchants' Association of New York, was recently given a testimonial luncheon in honor of his completion of thirty years of service as secretary of the Association. The chairman of the testimonial committee was Chas. T. Gwinn, executive vice-president of the Chamber of Commerce of the State of New York, who is himself the veteran secretary of the oldest chamber of commerce in the world.

This is the second instance we have heard of a man serving an association for thirty years. The other case was Henry B. Gombers, secretary of the National Association of Heating and Piping Contractors.

The secretarial profession is to be congratulated upon the leaders it has developed, splendid men all of them, who, with a vision of what the cooperative spirit means to a nation, are devoting themselves to its ideal of service.

### Trade Lexicography

THERE are 2,700,000 families in this country that own two or more cars, according to "Facts and Figures of the Automobile Industry," 1927 edition; that is, 10 per cent of all families in the United States find it necessary to own more than one car.

This publication is issued by the National Automobile Chamber of Commerce and is an authoritative source for figures on the automobile industry. It contains figures on monthly production since January, 1913; the number of motor trucks by capacity in different lines of industry; the Interstate Commerce Commission findings on uses of motor transportation; the factors of sales resistance and sales encouragement in overseas business. This is not an exhaustive list of the main headings of the book, but it gives an idea of the wide variety of information found. The National Automobile Chamber is the trade association of car and truck manufacturers and, with its predecessors, has represented the industry for twenty-seven years.

\*\*\*

Buck-passing was the favorite game which the retail merchants and the dyers and cleaners used to play. It was the merchant's fault if goods faded or shrunk in the cleaning process according to the cleaner and dyer. The merchant said it was the cleaner and dyer who was at fault. Though the customer paid, it cost the other two parties to this little game a pretty penny. But these two groups are trying to get together and work out a plan which will not necessitate this mutual recrimination.

In Cincinnati the cleaners met with the



retail merchants and demonstrated to them the problems that they were up against. After several talks from various cleaners, demonstrations were given on the treatment of various fabrics by various fluids. Several hats and dresses that had shrunk were exhibited and an explanation of their condition was given.

This little incident is interesting as an example of how the retail merchants and cleaners are coming to a better understanding of their various problems. Frank Stutz, director of the Better Fabrics League of America, has been working for a long time on the problem of getting merchants to test fabrics so that they can say to a customer: "This fabric is sunfast. That one isn't." The customer may buy the one that isn't but he doesn't buy it under any misapprehension.

\* \* \*

The progress in simplification is remarkable. A mere list of some of the industries that are at work with recommendations gives an idea of the general appreciation of its benefits. From a recent news bulletin of the Division of Simplified Practice we find that the manufacturers and users of surveying instruments are at work on a program; that the manufacturers of tools meet for the consideration of a tentative program for sizes of eyes in hammers and other small tools; that the hollow building tile industry has reaffirmed the existing schedule of recommendations; that the manufacturers, distributors and users of razor blades have worked out a tentative program for the packing of razor blades; that the size of curb-stones is under consideration; that the salt container industry is now considering reducing the variety and sizes of its product from 35 to 19; that the manufacturers of surgical gauze are studying the problems of simplification; and that the producers of kalem doors are working on a program. This does not by any means cover the industries engaged in simplification or standardization, but it does give an idea of the wide variety of the work.

\* \* \*

The National Association of Ornamental Iron and Bronze Manufacturers is composed of over three hundred concerns in the United States and Canada. The Association has recently adopted a definite marketing and



advertising program. The purposes are to present to the architect, the builder and the public the merits of their product. Two main programs of publicity will be followed—one appealing directly to the public; the other a direct contact with the architect and builder giving them illustrations of especially fine work along with details, designs and specifications.

\* \* \*

Understanding by tenants of building owners' problems is the aim of the Building Owners' and Managers' Association of Omaha. Each week the association sends out to about two thousand tenants little cards explaining where the tenants' rent-dollar goes. The figures are made up from the returns of seventeen office buildings which use uniform accounting methods.



*Every Roof  
Needs Insulation*

*Insulating the roof of the  
F. N. Burt, Inc., Factory  
Building at Buffalo, N. Y.  
with 2-inches of Armstrong's  
Corkboard.*

## Cork on the Roof Keeps Top Floors Cooler

**H**OW are *your* top floors these hot summer days? Are they as comfortable as the lower floors; or are they stifling with the heat that pours in through the roofs?

Insulating a roof with Armstrong's Corkboard will stop most of that heat. It will keep your top floor rooms as cool as those below and repay you quickly through the increased efficiency of employees working under comfortable conditions.

Moreover, you will find these same rooms easier to keep comfortably and uniformly warm in winter.

Armstrong's Corkboard is easily laid *right over your present roofing*. By installing it now, you can get the benefit of roof insulation for the rest of this summer, and have it for many summers and winters to come.

### Send for these Free Books

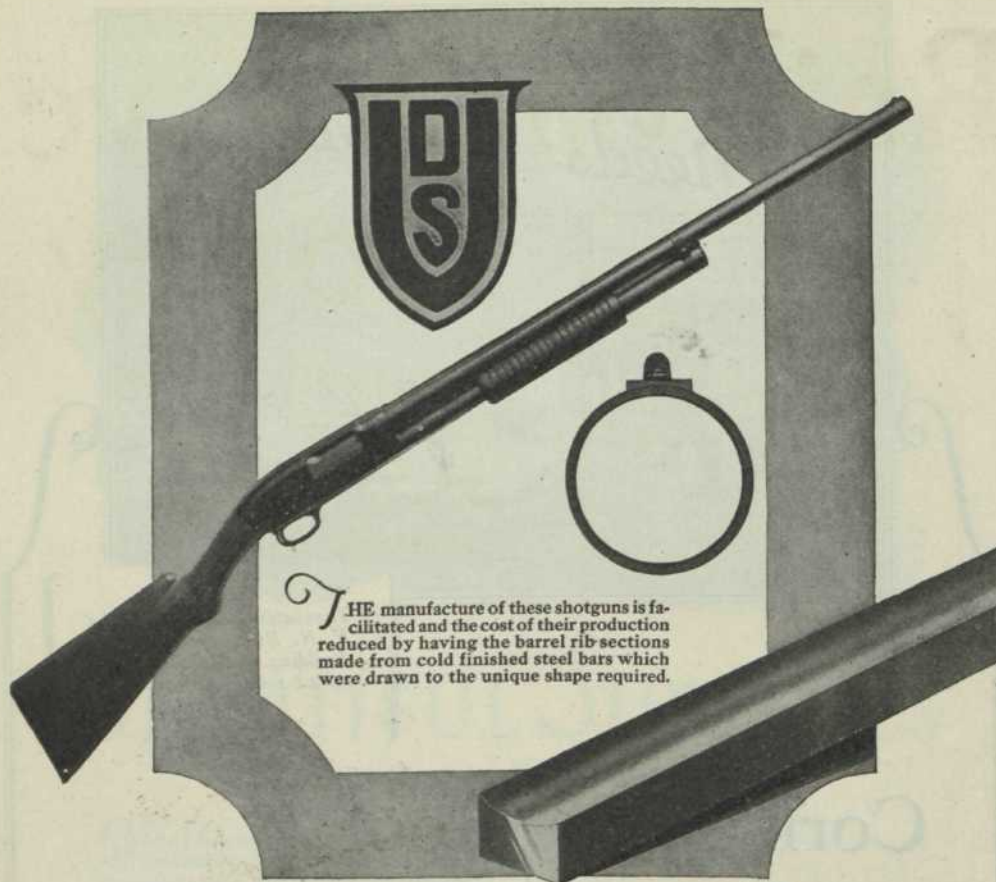
"The Insulation of Roofs with Armstrong's Corkboard" contains information on the insulation of all types of buildings.

"The Insulation of Roofs to Prevent Condensation" treats specifically the subject of condensation of moisture on ceilings. Write for these books to Armstrong Cork & Insulation Company, 195 Twenty-fourth Street, Pittsburgh, Pa.

# Armstrong's Corkboard Insulation

*for the Roofs of All Kinds of Buildings*





THE manufacture of these shotguns is facilitated and the cost of their production reduced by having the barrel rib sections made from cold finished steel bars which were drawn to the unique shape required.

*Demands for economy and greater efficiency are frequently being supplied through the use of Union Drawn Steels in special shapes* ~ ~ ~ ~ ~

UNION DRAWN STEEL CO. *Beaver Falls, Pa.*

# UNION DRAWN STEELS



*When writing to UNION DRAWN STEEL CO. please mention Nation's Business*

Among the problems with which the cards deal are taxes and insurance, cleaning, heating, alterations and repairs, etc. Arthur L. Loomis, secretary of the Association, writes that "thus far the results are gratifying."

\* \* \*

From the standardization of guitars and mandolins it is to be hoped that the Musical Instrument and Accessories Manufacturers will proceed to the players of these instruments and that a high standard will be demanded in each case. Mr. Lomb, chairman of the association's standardization committee, pointed out that:

The apprehension that simplification or standardization will destroy individuality of any given product rests upon a misconception of the purpose of simplification. Simplification aims only at the elimination of the superfluous, the non-essential. It really enhances the individuality of any given product by fixing the attention of those features which promote the distinctiveness of the product while simultaneously preventing attempts at individuality where it would be superfluous and useless.

### "Ol' Shoes!"

PERHAPS the cry of the rag man isn't quite appropriate for this news item for it isn't old but new shoes that this concerns. The Chamber of Commerce of Honolulu in working out its industrial development program has been careful to make its program well rounded. It discovered in the course of its work that, for the year 1926, Hawaii shipped \$115,091.00 worth of cattle hides and purchased \$61,719 worth of leather as well as \$955,836 worth of manufactured leather goods. The survey presents favorable purchase comparisons for import of more hides needed to make up the leather balance against the territory. It seems the island is ripe for a leather tannery.

### No Room for the Shopper

LOCAL merchants and business men should walk to work or at least park their cars where they won't inconvenience the tourist or shopper is the conclusion that the Civic Development Department of the National Chamber comes to in a report on "Courtesies to Auto Tourists and Out of Town Shoppers." In encouraging the trade of the automobilist, the first consideration should be to reserve for patrons the space in front of shops by making local business men and merchants park elsewhere and by having all the loading and unloading done at the rear of buildings, or outside of business hours.

If the streets are too narrow for parking on both sides and existing construction does not permit loading and unloading at the rear, it would be good and farsighted economic policy for the merchants to work for street widening and other town planning features so that, wherever possible, the main streets which are shopping centers should permit parking space at an angle of 45 degrees on both sides of the street.

When a city or town is already too built-up to permit substantial broadening of streets, the most convenient arrangements for customers are regulations which permit parking for not less than two hours within easy walking distance of the shopping center, free parking space in the unused interior of business blocks, on vacant lots, or in convenient downtown garages.

An instance cited in the report illustrative of the need for convenience in parking is the experience of a section of Washington, D. C. The merchants of this section rented a vacant lot and hired a keeper to watch the parked cars of customers. The lot was



but one block from the center of the shopping section, but no cars were parked there. If the customer could not find space along the curb, he went somewhere else.

#### Business Magazines

IN 1904 the Public Library of Newark, New Jersey, inaugurated a business branch which has grown until now it has a collection of 15,000 volumes and is to be housed in a \$225,000 city-owned building. This library has made a useful compilation of 400 periodicals which cover the latest developments and statistics of many trades and industries classified by subjects all the way from advertising to window dressing.

For those interested in the business library the Wilson Bulletin for May, 1927, presents several informative articles on their growth, their character and their usefulness.

#### Health and Physical Education

COMPARISON of two surveys of Health and Physical Education in the Public Schools made by chambers of commerce throughout the country in cooperation with the Civic Development Department of the National Chamber, the first taken in 1922 and the second in 1925, shows a general improvement in matters affecting health and



physical education in the elementary public schools. In some items, however, there has been no improvement and, in fact, a few cases of actual retrogression.

The great value of the report of the Civic Development Department is the chance it offers for cities to measure their own progress, with a view to strengthening weak places, that greater progress may result from future efforts.

Among the encouraging items in the report are: (1) the increased provisions for regular inspection for defects and for incipient illness; (2) the increase in the number of schools affording adequate playgrounds; (3) increase in the number of full-time school physicians.

That only 87 per cent of the cities studied, report that their buildings are properly ventilated as against 93 per cent in 1922, merits careful consideration.

The schools can render no greater service than to prepare the child in body as well as mind to take his place in society. The schools must have the interest, encouragement, and cooperation of all the agencies in the community and of all citizens interested in the future welfare of their community.

#### Coming Business Conventions

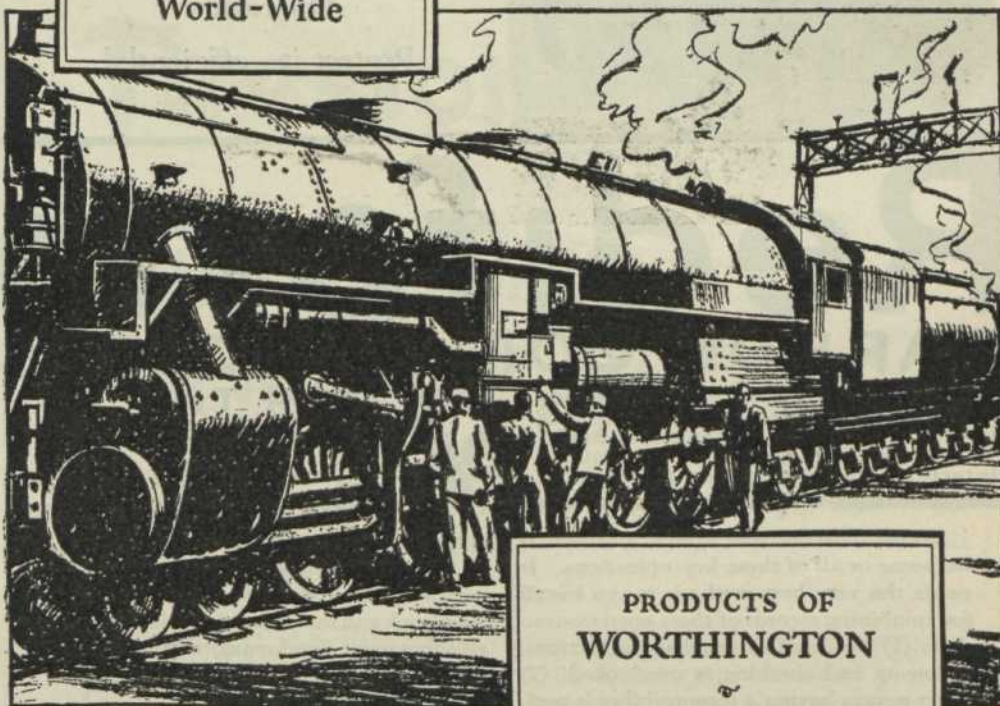
Date	City	Organization
August		
Week of 1st.	Galveston	National Customs Service Association.
8-9	Seattle	Pacific Northwest Real Estate Association.
9-12	Louisville	International Apple Shippers Association.
9-12	Seattle	National Association of Real Estate Boards.
9-12	Providence	Retail Credit Men's Association
16-18	Buffalo	International Railway Master Blacksmiths Association.
22-25	Syracuse	Vegetable Growers Association of America.
23-25	Memphis	Cotton States Merchants Association.
23-27	Los Angeles	National Association of Stationary Engineers.
25	Browns Mills, N.J.	American Cranberry Growers Association.

# Railroads save money

Words that mean  
**WORTHINGTON**

Pioneering  
Trustworthiness  
Experience  
Competency  
Efficiency  
✓ Conservation  
World-Wide

**WORTHINGTON**  
Locomotive Feedwater  
Heaters conserve fuel,  
water and time for many of  
America's great railroad  
systems.



Close-up of the largest non-articulated freight locomotive in the world, showing Worthington Boiler-feed Pump and Feedwater Heater on the side. This giant locomotive marks the latest step in efficiency on the Union Pacific.

**PRODUCTS OF  
WORTHINGTON**

PUMPS  
COMPRESSORS  
CONDENSERS and AUXILIARIES  
OIL and GAS ENGINES  
FEEDWATER HEATERS  
WATER and OIL METERS

*Literature on Request*

## WORTHINGTON



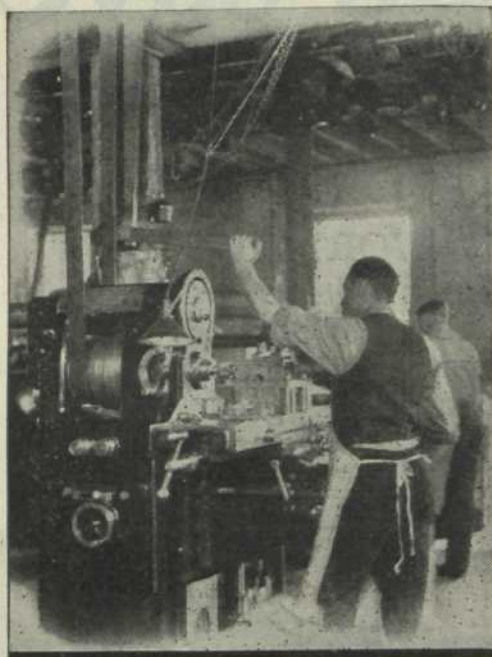
39-7535-9

**WORTHINGTON PUMP AND MACHINERY CORPORATION**  
115 BROADWAY, NEW YORK CITY  
BRANCH OFFICES IN 24 CITIES

When writing to WORTHINGTON PUMP AND MACHINERY CORPORATION please mention Nation's Business



# When you **PRODUCE**



*anything — from  
battleships to buttons*

—it involves many operations and many records that should be coordinated and checked all the way from customer's order to invoice. The proper interlocking of these records is made easier by understanding key operation control of business by Rediforms.

**Production is a KEY  
Operation**

**Protect it—efficiently!**

## Rediform

**CARBON COPY RECORDS**

for Buying ~ Receiving ~ Stockkeeping  
Production ~ Selling ~ Shipping ~ Billing  
with Rediform Sales and Manifold Books  
"Wiz" Autographic Registers ~ Continuous  
Interfolded or Continuous Interleaved

**FOR THE KEY  
OPERATIONS  
OF BUSINESS**

No matter what your kind of business, it has some or all of these key operations. It needs the very best methods it can install for combining records of these operations so that: (1) No detail of original instructions, follow-up and checking is overlooked. (2) Every person having a responsibility is notified. (3) There is as little rewriting as possible.

Rediform records coordinate without re-writing. Our service to a hundred thousand

concerns in all lines of business has taught us the best ways to do these things. Our experience began with the invention of the sales book and includes origination of almost all subsequent developments in carbon-copy forms and devices.

Write, on your business letterhead, for our interesting booklet, "The Key Operations of Business." (See address at the bottom of this page.)



Rediform Sales Books and  
Manifold Books

Every type for every purpose—with all the latest improvements, and a service in design that makes any type more efficient.



Rediform "WIZ" Autographic  
Registers

Note that sides are cut away to show the convenient, easily audited Flatpakit forms, and locked compartment for audit copy.



Rediform Continuous Interfolded  
and Interleaved

Permit variation in color, weight and quality of different sheets. Rediform Interleaved is interleaved with carbon paper throughout.

For further information, fill out coupon below, attach to business letterhead and mail to  
**AMERICAN SALES BOOK COMPANY, LIMITED, ELMIRA, N. Y.**  
Factories: Elmira, N. Y., Niagara Falls, N. Y. Sales and Service Offices in Principal Cities

Have your representative call to discuss the application of Rediform carbon copy records to key operations of my business.

Name \_\_\_\_\_  
Business \_\_\_\_\_  
Position \_\_\_\_\_  
Address \_\_\_\_\_

NB 8-27

When writing to AMERICAN SALES BOOK COMPANY, LIMITED, please mention Nation's Business

## On the Business Bookshelf

**Italy's International Economic Position**, by Constantine E. McGuire. The Macmillan Company, New York, 1926. \$3.

We have been hearing for a long time of the unfavorable balance of Italy's trade. Whether a group of some forty millions of people can go bankrupt as a unit and what will happen if they do are interesting speculations. There recently came to this office a letter from Italy that was written on the back of an advertisement and in an envelope that had been turned inside out.

With all we have heard about Italy's economic position the present book is of particular interest. Multitudinous figures are introduced to prove this, that, and the other statement.

Before the war (1906-1914), Italy had an unfavorable economic trade balance of 130-odd million lire as a yearly average even after allowing for the emigrant remittances and expenditures of tourists.

After the war began, Italy's import figures reached prodigious heights because of the need of war materials and fuel and raw materials for the sudden forced expansion of industry. Foreign borrowings, both public and private, have increased since the war.

From a map showing the industries in the different parts of Italy, we find that the chief industry of Florence is tourists.

The population now bears a very high ratio to the tolerably habitable area of the country. The excess of births over deaths is about 11 per 1,000. This excess is due more to checking diseases than to Mussolini's program of human stock-raising. The actual birth rate has decreased.

The colonies of Italy have been, are, and are likely to be for quite some time to come, liabilities.

**The Industrial Directory of New Jersey, 1927.** Compiled by the Bureau of Statistics and Records, Department of Labor. Robert R. Stinson, Hoboken, N. J., 1927. \$12.

The value of this book may be readily seen by noticing the value of the products of New Jersey—during 1923 nearing 3½ billion dollars. In buying it can be made of great use by reference to the list of manufacturing establishments in the state which are classified by industry, group and nature of product. Here one can find where to buy almost anything in New Jersey including Anthrene Black BB and about 135 other classifications of dyestuffs. One manufacturer of snuff is listed for Helmetta.

Descriptive notes relating to New Jersey municipalities are given showing for each the population, banking, postal, railroad, and express facilities and other information useful to homeseekers or to manufacturers seeking the most desirable locations for the establishment of manufacturing plants. There are listed 538 broad silk manufactories in Paterson (population 143,000).

The book is supplemented by a colored map of the state.

**Essentials of Public Speaking**, by Warren C. DuBois. Prentice-Hall, Inc., New York, 1926. \$2.

The author states in his preface that his "sole aim has been to include in one small volume a brief but comprehensive summary of the fundamentals of effective speaking."

While this book has the attractiveness of brevity, it leaves the reader with the feeling that it is brief because the author was able to write concisely due to his knowledge of the



subject, and not that he left out vital points of his subject.

Business men will realize the importance of knowing how to speak in public, at business dinners, executive sessions, committee gatherings or salesmen's conferences. For such, this book will be particularly convenient because of its brevity.

**Office Management**, by John H. MacDonald. Prentice-Hall, Incorporated, New York, N. Y., 1927. \$5.

The author takes up each several point in office management with systematic care. The book gives recent developments and methods in office management.

Among other interesting phases of the office, the author, who is assistant professor of management at New York University School of Commerce, Accounts and Finance, discusses office equipment and appliances and advantages from their use; filing (he favors centralized filing); and stenographic, order, sales, and advertising departments. Costs of various office operations are discussed in connection with budget estimates.

The advanced methods of hiring employees and keeping their record seemed particularly interesting.

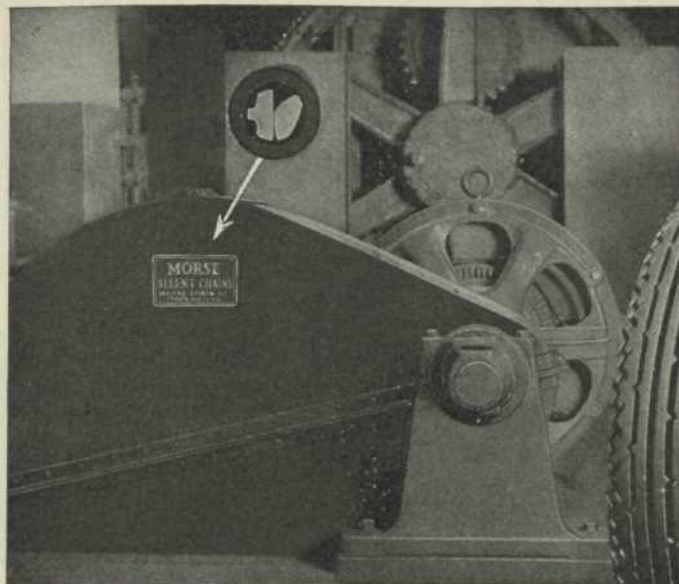
**Homes of Character**, by Marcia Mead in collaboration with Daniel P. Higgins. Dodd, Mead & Company, New York, 1926.

"Americans," says Mr. Higgins, the collaborator, in the Foreword, "are accused of having no taste in the architecture and decoration of their homes." Apparently Mr. Higgins believes there is much in the accusation, for among his own clientele he has found "an astonishing lack of good taste and knowledge of style."

Be this as it may, and certainly there are enough atrocious dwellings in America to have furnished Mr. Higgins with a very large clientele, the body of the book offers delightful reading to that increasing number of well-to-do Americans who take more than a financial interest in the homes they have bought or built, who have progressed far enough to know that there is more than one type of colonial, and who, if they don't know it already, will be pleased to learn that colonial was not mere imitation of Dutch houses or of what was known as Georgian in England.

"Long before the New England colonists were beginning to make an impression upon the soil and to do more than keep body and soul together in their crude shelters, the Dutch in the Hudson River Valley had established a style of building quite their own and quite unlike anything to which they had been accustomed at home." The New Englanders, beginning with dugouts—as did the first settlers of Philadelphia—and "a wigwam-shaped domicile of poles leaning together at the top and covered with mud and sod for a roof," progressed by 1654 to "orderly, fair and well-built houses and then to architecture which finally developed into what most of us mean when we say colonial. . . . Some call American architecture of this period 'Georgian' (because a series of Georges were kings of England at the time), but this is misleading, for, while it may be correct from a historical standpoint, it is incorrect architecturally, as the styles (American and English) are distinctly different." So Dutchman and Englishman, transplanted across the Atlantic, produced dwellings that reflected the American environment even while they were colonists.

Then came the Revolution, independence, prosperity, architectural books and travel. "Strangely enough, this resulted in a decline and copy period." Why Miss Mead char-



125 H.P. Morse Silent Chain Drive from motor to calender, Firestone Tire & Rubber Co. Driver, 800 r.p.m.; Driven, 114 r.p.m., 36 inch centers.



# Firestone

## builds for quality with MORSE DRIVES

Safety, comfort and economy in motor transportation are obtained with Firestone Gum-Dipped Tires. Their well-known quality is the result of improved tire designs plus wonderful production facilities.

Production at the Firestone Plant must necessarily be backed by dependable equipment. Here, as in many prominent plants, Morse Silent Chains are supplying power to machinery of every type. These drives are 98.6% efficient, positive and flexible.

One-tenth or 5,000 H.P. Morse Drives give the same dependable results. Consult a Morse Transmission Engineer in solving your power problems.

### Morse Chain Co., Ithaca, N.Y. U.S.A.

There is a Morse Engineer near you

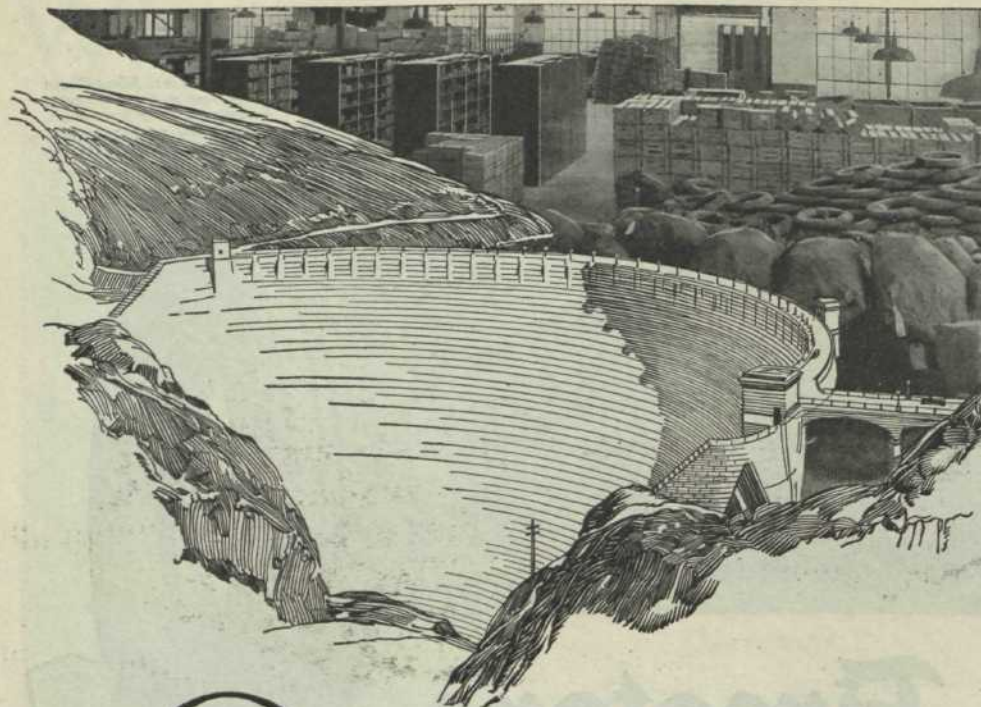
ATLANTA, GA. . . . . 702 Candler Bldg. Earl F. Scott & Co.  
BALTIMORE, MD. . . . . 1402 Lexington Bldg.  
BIRMINGHAM, ALA. . . . . Moore-Handley Bldg. Co.  
BOSTON, MASS. . . . . 141 Milk St.  
BUFFALO, N. Y. . . . . Elliott Sq. Bldg.  
CHARLOTTE, N. C. . . . . 404 Commercial Bank Bldg.  
CHICAGO, ILL. . . . . 112 W. Adams St.  
CLEVELAND, OHIO . . . . . 421 Engineers Bldg.  
DENVER, COLO. . . . . 211 Ideal Bldg.  
DETROIT, MICH. . . . . 701 Central Ave.  
LOUISVILLE, KY. . . . . 516 W. Main St. E. D. Morton Co.

MINNEAPOLIS, MINN. . . . . 413 Third St. Strong-Scott Mfg. Co.  
NEW ORLEANS, LA. . . . . 521 Baronne St. A. M. Lockett Co.  
NEW YORK, N. Y. . . . . 60 Church St.  
OMAHA, NEB. . . . . 923 W. O. W. Bldg. D. H. Braymer Equip. Co.  
PHILADELPHIA, PA. . . . . 803 Peoples Bank Bldg.  
PITTSBURGH, PA. . . . . Westinghouse Bldg.  
SAN FRANCISCO, CALIF. . . . . 2137 Railway Exchange Bldg.  
ST. LOUIS, MO. . . . .  
TORONTO, 2, ONT., CAN. . . . . 50 Front St. E. Strong-Scott Mfg. Co.  
WINNIPEG, MAN., CAN. . . . . Dufferin St. Strong-Scott Mfg. Co.

# MORSE SILENT CHAIN DRIVES

When writing to MORSE CHAIN Co. please mention Nation's Business





# Great American Reservoirs

THE Roosevelt Dam stores up a huge reservoir of water which can be drawn upon as needed. The Western Electric warehouse stores up reserves of telephone supplies which can be drawn on as needed by the telephone companies in constructing their lines and maintaining service.

There are thirty-five of these warehouses, a nationwide system which makes supplies so readily available that your telephone company can quickly repair the ravages of storm, fire or flood.

A prompt service. The great bulk of items on telephone company orders are now filled within twenty-four hours.

A reliable service. Month after month the records show that virtually all of the items ordered are in stock.

An economical service. Western Electric keeps the distribution expense ratio to gross sales down to a fraction of the figure among other distributors of comparable lines.

And distribution is but one of many activities in which this Company—as manufacturer, purchaser and reservoir of supplies—passes on to the Bell System the benefits of efficient operation.

No. 4 of a series



## Western Electric

SINCE 1882 MANUFACTURERS FOR THE BELL SYSTEM

acterizes this as "strangely enough" is the one puzzle. Independence and money, newly won, seem inevitably to result in copying.

It is an axiom that, no matter how good our eyes, we don't see things until we have learned about them. So most of us miss a large part of the interest we could get out of our own houses and those of our neighbors by knowing only what the real estate man has told us. Miss Mead's book opens our eyes considerably. It enables us to note, on our way to train or office in the morning, why it is that Black's house never quite convinced us that it deserved its reputation while Gray's always satisfied.

Having described the Southern Colonial and how to furnish it and the other colonials—sketches by Otto R. Eggers here help greatly—Miss Mead takes us across the ocean and shows us not only what English Georgian is so we won't get mixed again, but gives us a new understanding of the French chateau, the Italian villa, the Spanish house; then brings us back with a long chapter on the Modern Home, which is what engages our practical interest. Reading what she has written will make the morning walk or the Sunday constitutional much more interesting. It may even help in designing our own next house, or at least in furnishing the present one.

### RECENT BOOKS RECEIVED

**Airports and Airways—Cost, Operation and Maintenance**, by Donald Duke. The Ronald Press Company, New York, 1927. \$5.

**Chinese Political Thought**, by Elbert Duncan Thomas. Prentice-Hall, Inc., New York, 1927. \$5.

**Corporations Doing Business in Other States**, by H. A. Haring. The Ronald Press Company, New York, 1927. \$5.

**Foremanship and Supervision**, by Milton Cushman. John Wiley & Sons, Inc., New York, 1927.

**Inventions and Patents—Their Development and Promotion**, by Milton Wright. McGraw-Hill Book Company, Inc., New York, 1927. \$2.50.

**The Iron Industry in Prosperity and Depression**, by Homer Bews Vanderblue and William Leonard Crum. A. W. Shaw Company, Chicago and New York, 1927. \$7.50.

**The Legal Status and Functions of the General Accounting Office of the National Government**, by W. F. Willoughby. The Johns Hopkins Press, Baltimore, Md., 1927. \$3.

**An Outline of Careers**, edited by Edward L. Bernays. George H. Doran Company, New York, 1927. \$5.

**Profits, Progress and Prosperity**, by Arthur B. Adams. McGraw-Hill Book Company, Inc., New York, 1927. \$2.

**Real Letters in Business**, by Frank W. Dignan. LaSalle Extension University, Chicago, 1927. \$2.

**Successful Oklahomans**, by Rex Harlow. Harlow Publishing Company, Oklahoma City, 1927.

**The United States Board of Tax Appeals—Practice and Evidence**, by Charles F. Hamel. Prentice-Hall, New York, 1926. \$10.

**Using Radio in Sales Promotion**, by Edgar H. Felix. McGraw-Hill Book Company, New York, 1927. \$5.

**Vacations for Industrial Workers**, by Charles M. Mills. The Ronald Press Company, New York, 1927. \$5.



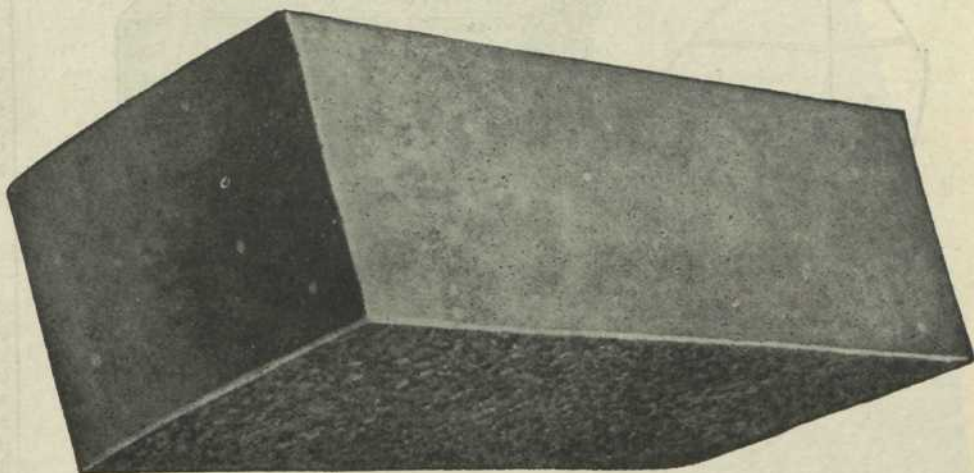
## Two-Sided Value

Below are listed some of the fortunate cities and towns which have discovered and put to use the "other-side-up" value of vitrified paving brick. The average service of the brick in its original position was more than 27 years.

Biloxi, Miss. . . . .	32
Bucyrus, Ohio . . . .	31
Butler, Pa. . . . .	32
Columbus, Ga. . . . .	23
Johnstown, Pa. . . .	17
Lancaster, Ohio . . .	41
Lynchburg, Va. . . .	30
Meridian, Miss. . . .	30
Omaha, Nebr. . . . .	24
Pensacola, Fla. . . .	22
Sewickley, Pa. . . . .	31
Sunbury, Pa. . . . .	33
Tonawanda, N.Y. . . .	27
Vicksburg, Miss. . . .	15
Winona, Minn. . . . .	33



You pay for the service  
which this side will render—



You get the service  
of this side FREE

COMMUNITIES all over the country are discovering a remarkable fact—that the paving brick bought by their fathers' taxes back in the '90s are worth as much today as when purchased! They are lifting these brick, relaying them *other side up* and preparing to profit by them for ten to twenty-five years more. The salvage value in the old brick runs anywhere from 75 to 95%.

In the column at the left are listed a few of the communities which are enjoying this saving. The new pavements cost so little as to be virtually free.

That's why we say—"Brick Paving Baffles the Tax-Bug!" The community which wants to escape continually increasing taxes can adopt few policies more effective than to

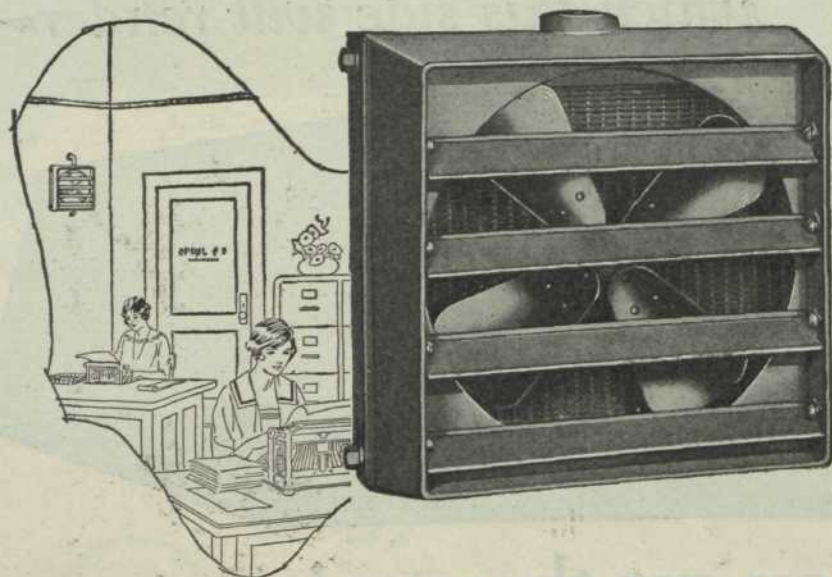
Pave  
with

**VITRIFIED**  
**Brick**

**The Pavement That OUTLASTS The Bonds**



# Keep Cool with a THERMODINE UNIT HEATER



**Eminently successful for heating—  
Highly practical for ventilating!**

**N**O longer need your heating equipment be of cold weather value only. The Thermodine Unit Heater, universally accepted as supreme among unit heaters, is now being widely used for ventilating. Simply turn on the switch and cooling begins immediately! Acts on the same principle as the ordinary electric fan. The motor driven fan of the Thermodine Unit Heater that diffuses heat throughout the room during the heating season, circulates and cools the air during the summer. No adjustments—no extra parts—simply turn it on. Vertical deflectors provide ideal breeze-direction. Thermodine Unit is easily installed.

Thermodine Unit Heater buyers are enthusiastic over this new use. Makes their heating equipment usable the entire year.

Don't wait for the heating season to install a Thermodine Unit Heater. Order now and let it keep you cool during the hot weather.

There is a Thermodine Unit Heater for every size space—from the largest factory building to the smallest office—waiting to give perfect heating satisfaction in winter and delightful ventilation in summer.

Write us today for the name of our nearest dealer.  
He will gladly show you how to make a Thermodine Unit Heater work for you the year 'round.

**MODINE MANUFACTURING CO., Heating Division**  
1710 RACINE STREET RACINE, WIS.

Branch offices in all large cities

## THERMODINE UNIT HEATER

FOR STEAM OR HOT WATER HEATING SYSTEMS

Thermodine

This book gives you all the facts, advantages and many applications of the Thermodine Unit Heater.

10 outstanding features of Thermodine.

Explains the universal directional advantage.

Interesting photographs showing heat distribution by smoke tests.

Illustrations showing construction, ease of installation and accessibility.

Complete capacity tables for this advanced copper condenser type unit heater.

## Government Aids to Business

Reports of government tests, investigations and researches included in this department are available (for purchase or free distribution) only when a definite statement to that effect is made. When publications are obtainable the title or serial number, the source, and the purchase price are included in the item. We will be glad to furnish them to our readers at the price the Government charges.

THE AUTOMOTIVE FOREIGN TRADE MANUAL is a four-volume work which gathers together a large variety of information relative to duties, consular regulations, motor vehicle laws, and statistics of exports, imports, production, etc., of interest to exporters of automobiles and automotive products, in the establishment of their export policies and in the conduct of their overseas trade. The volumes are loose-leaf, and each week from twenty to thirty revised pages are issued keeping the information up to date. The cost of the volumes is twelve dollars, but the weekly service is free. Those who are interested may write to the Automotive Division, Bureau of Foreign and Domestic Commerce, Washington, D. C., for further information.

IN TECHNICAL NEWS BULLETIN No. 104, December, 1925, there was described a method which the Bureau of Standards had just developed for cleaning

**Method of Steam** stone buildings by steam.  
**Cleaning Lime-** Since this item was published, the Bureau, in co-  
**stone Buildings** operation with the In-

diana Limestone Co., Bedford, Ind., has conducted a research on the steam process for cleaning limestone buildings and has developed the method to a commercially successful stage.

This work was undertaken originally to find a method which would not have the harmful effects of acid washes or sand blasting. The invention of a light, flat spray nozzle employing high-pressure steam and water in combination makes it possible to clean Indiana limestone buildings satisfactorily with no harm to the surface.

No data are available as to how to clean other building material. Arrangements are being made to supply the new nozzle through the Architects' Service Bureau of the Indiana Limestone Co., Bedford, Ind., to whom inquiries regarding the process may be directed.

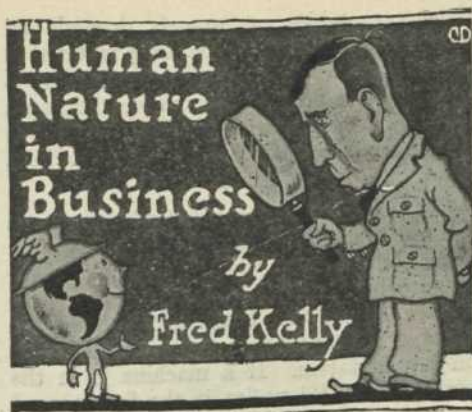
SHORTLY AFTER THE FORMATION of the Aeronautics Branch of the Department of Commerce in July, 1926, a program of establishing aids to air navigation was begun. These

**Development of** aids are: upper air  
**Radio Aids for** weather information, air-  
**Civil Airways** ways lighting for night

flying, and radio aids. This last includes radiotelephony between airplane and ground, and a special radiobeacon system. They are as yet in a development status.

The Bureau of Standards is carrying on this work with the cooperation of other government departments, radio manufacturers, wire-line companies, and the air transport companies. No publications have been prepared on this work and none is contemplated in the immediate future, since the system is still under development. Monthly announcements of the progress of the work are given in *Domestic Air News*, a monthly bulletin issued by the Aeronautics Branch, Department of Commerce.





**T**HE MERCHANDISE manager of a big department store tells me that while weather is naturally of vital importance to his business, it is not quite so important as the weather forecast. In other words, the weather man has more influence than the weather itself.

The explanation is that shoppers make their plans according to the weather forecast. If the paper Tuesday evening or Wednesday morning predicts rain for Wednesday, then a considerable percentage of



women will give up all idea of shopping on Wednesday and arrange to stay at home, to play bridge, or whatever it is that women do when they aren't shopping.

On the other hand, if the paper says that Wednesday will be a bright day, but nevertheless it rains, women go right ahead with their shopping plans, regardless.

**I**N THE long run, a rainy day hurts the basement trade in a department store—because customers who would deal there usually arrive afoot or by street car and don't like to go about in the wet. But rain helps to bring in the limousine trade—customers who buy costly articles. You see, a rainy day is a dandy time for them to go shopping because they drive right to the door comfortably and then, once in the store, they don't find so many other customers there. They can get prompt service.

**A** TRAVELING man who sells whetstones says that weather has an astonishing effect on his business. His firm would gladly pay thousands of dollars to learn how much rainfall or sunshine to expect a few weeks or months in advance.

The answer is that rain and sunshine make grass grow and grass calls for scythes or sickles which in turn require whetstones.

**C**OME to think of it, what business isn't dependent on weather? Most business is devoted to supplying three fundamental human wants—food, shelter and clothing. Food depends on the ground or animals. So does our clothing. Growth of



## Non-Skid Hi-Type Breaking Mileage Records

On heavy trucks, in transfer work, contracting, farming and many other kinds of hauling, Firestone Non-Skid Hi-Type Tires are establishing an entirely new standard for measuring tire economy. Here, in one tire, Firestone engineers have combined extraordinary traction and money-saving cushioning qualities, with extreme toughness and wear. Whether you haul long or short distances it will pay you to ask your local Firestone Dealer to show you what Non-Skid Hi-Types are doing for other operators in your section.

MOST MILES PER DOLLAR

# Firestone

AMERICANS SHOULD PRODUCE THEIR OWN RUBBER *Harvey Firestone*

### Are You Looking Overseas for Markets?

If you're looking for new markets overseas, you will need "Doing Export Business," a comprehensive 64-page booklet recently prepared by the Foreign Commerce Department of the United States Chamber of Commerce. This booklet discusses: Surveying the Export Field, Establishing the Export Department, Promoting Foreign Sales, and Filling Export Orders.

"Doing Export Business" is an essential guidebook for anyone doing or contemplating doing foreign trade. It is being distributed at cost,—15 cents a copy.

### FOREIGN COMMERCE DEPARTMENT

U. S. CHAMBER OF COMMERCE,

WASHINGTON, D. C.





## For Buyers—for Sellers

Within a single week's period a large bakery, a prominent metal working plant, a manufactory of paper specialties, and a slate quarry changed hands at prices determined by American Appraisals. Buyers and sellers alike recognize that American Appraisal Service can be relied upon to measure impartially the value of properties.

**THE  
AMERICAN APPRAISAL  
COMPANY**  
MILWAUKEE

A NATIONAL ORGANIZATION



When  
You Come to  
Atlanta

you will find in the Atlanta Biltmore one of the world's truly great hotels. Some of our guests who are much-travelled have declared that it is the "finest hotel in the nation." Located in a four acre park, free from city noises, immediately accessible to theatrical, business and shopping districts.

A Bowman Biltmore Institution  
"Where Southern Hospitality Flowers"

Rates from \$3.50

**ATLANTA BILTMORE**  
"The South's Supreme Hotel"

Jno. McEntee Bowman, Pres. Wm. Candler, Vice-Pres.  
H. B. Judkins, Manager W. C. Royer, Asso. Mgr.

## go to hawaii this October



MAKE your plans now for a wonderful autumn trip. MALOLO (*Flying Fish*)—famous new flagship of the Matson fleet, has cut the time to Honolulu to four days. Four perfect days at sea to the loveliest spot on earth—Hawaii, where spring is always in the air—land of year 'round sport, of leisure and contentment.

Write our nearest office for literature giving full information.

**matson line**  
THE SHIPS THAT SERVE  
hawaii

215 Market St., San Francisco; 535 Fifth Av., New York; 140 So. Dearborn St., Chicago; 510 W. Sixth St., Los Angeles; 1319 Fourth Ave., Seattle

When writing to the above advertisers please mention Nation's Business

either vegetables or animals depends on weather. While not all building material is grown in the ground, the purpose of a building is to protect us from weather, and, moreover, the speed of builders themselves is much affected by rain, heat or cold and wind.

"I ALWAYS make notes of what I see on my first trip to a big plant," says an industrial engineer, "even though I'm planning to be there again the next day. No matter how often I may look over the plant, I'll never be as observant there as on my first trip. If a machine is in the wrong place, I'll notice it the first time I see it. After that I'll be used to seeing it, and the fact that it is wrong may not register."

THE SALES manager of one of the companies manufacturing a high-priced automobile says that in the East, particularly in New York or New Jersey, it is comparatively easy to sell a family a better car than they can afford. In New York a man is judged by what he has—that is, by



what he has that is visible to the naked eye. He likes a good car as a means for putting up a front. In the middle West, a car buyer is likely to take just the opposite tack. He's afraid people will think he has more money than he really has if they see him driving an expensive car, and may expect too much of him. He therefore buys a less expensive car than he can afford.

I KNOW a man who is a kitchen engineer. The kitchen equipment in a big hotel is now so costly, elaborate and complicated that installing it requires almost as much technical knowledge as equipping a big factory. Hence the kitchen engineer has arrived.

I HEARD a wealthy man talking to his farm manager about an item in a list of bills—\$1.20 for twelve files.

"There isn't a single article selling at ten cents apiece," the boss declared, "which can't be bought for \$1 a dozen. If you had insisted on getting these twelve files for a dollar you would have made a saving, as compared with this bill, of \$20. In my own business I operate on a basis of 4 per cent and am glad to make 4 cents on each dollar involved in any single transaction. But here you had a chance to make 20 cents on the dollar by a little more careful buying and didn't do it."

IT IS probably safe to say that business men are commonly believed to be more practical than college professors. But the other day I saw Prof. Edwin L. Thorndike, of Columbia University, do something that made me wonder if the common assumption is true. Dr. Thorndike had come to attend a meeting that he thought was to be at 3 o'clock. On arriving he learned that he was mistaken about the time and



# Quickest

## *Distance between two points*

"Conservation of Time" is needed by men in every department of business in the New York Market. "How long will it take to get there?" has replaced the question "How far away is his place of business?" Distance is just one of the many things now measured in terms of time.

Time is of paramount importance in building up distribution in this great labyrinth of streets called "New York" . . . this huge jumble of neighborhoods where countless communities depend for their supplies upon merchants well known to each section but buried to the world at large.

The cost of reaching these thousand and one destinations is a matter of time . . . time that can be saved by specialized, intimate knowledge of routes with the least traffic resistance, routes taking shortcuts, routes pre-determined by traffic experts.

Bush Traffic Experts have charted the New York area into six zones. Each zone has been studied, its arteries of travel an-

### BUSH DISTRIBUTION SERVICE

1. Freight cars taken over from any railroad and carefully unloaded at Bush Terminal and merchandise placed in special service rooms.
2. Merchandise checked and entered on inventory forms and duplicates issued. Shortages, damages and other irregularities immediately reported.
3. Special inspection of merchandise involving unpacking and re-packing.
4. Immediate release of merchandise upon delivery instructions, seven copies of each order being issued for efficiency.
5. Automatic stock records posted for withdrawal of each unit of merchandise . . . and monthly summaries issued of total withdrawals and stocks on hand.
6. Delivery of merchandise to any point in Greater New York in shortest time possible.
7. Open Stock Service includes unpacking cases, stocking merchandise in special compartments according to size, style and type of product, and assembling merchandise for assorted orders.

alyzed, the one quickest way found for reaching any given destination. These routes of the Bush Trucks mark the lines of least traffic resistance . . . the quickest distance between any two points.

Six fleets of Bush Trucks service these six great zones . . . each zone an open book to the Bush servicemen, trained and guided by traffic experts to make their daily rounds with the precision of clockwork. These Bush Trucks thread their way from point to point, follow carefully plotted orders checked and rechecked by the Bush Traffic Department . . . so that all Bush-serviced merchandise will arrive on time.

We would like to send you a more complete story of Bush Services. Fill out the coupon below and we will mail you a free copy of an interesting booklet, "Distribution Perfected."



**BUSH TERMINAL CO.**  
Distribution Service  
New York

Bush Terminal Company  
Distribution Service — Dept. A-3  
100 Broad St., New York

You may send me, without obligation, your booklet, "Distribution Perfected."

Name.....

Firm.....

Street.....

City.....State.....



# TERRA COTTA

for

## "Night Architecture"



Pacific Gas & Electric Co. Bldg.  
San Francisco, California  
Bakewell & Brown, Architects

**T**HE new art of illuminating building exteriors offers boundless possibilities for superb effects in "night architecture." Recent developments in Terra Cotta enable any projected building to be thus distinguished at a fraction of the lighting cost heretofore encountered for this type of illumination. Write us for literature on this subject.

**NATIONAL TERRA COTTA SOCIETY**  
19 West 44th Street New York, N. Y.

(On behalf of the Terra Cotta Industry in the United States)

the meeting wouldn't be until 3:30. He knew that it took him exactly nine minutes to walk from his office to the meeting place, or eighteen minutes for the round trip. That left twelve minutes to work in if he went back to his office and returned by 3:30. Without hesitation, he did so. My guess is that an average business man, accustomed to long lunch time "conferences," would have regarded that twelve minutes as hardly worth the round trip.

**T**HE PUBLISHERS of Mark Twain's books launched a big advertising campaign some time ago to sell the humorist's complete works direct, by mail. Book dealers complained about this, saying that it was taking business right away from them. But, later, the same dealers discovered that the mail-order campaign was helping them. People got to thinking about Mark Twain, and if they couldn't buy his complete works they went to their favorite book store and bought one or two volumes. I mention this simply to show that there is never any telling the psychological effect of an advertising campaign.

**A**T LAST I have discovered a New York restaurant where they don't print food prices on the menu. At least they don't on the "Ladies' Menu." The ladies' card doesn't even intimate that the young man



across the table will have to pay a liberal cover charge. It's more high-hat, you see, to show rich and careless disregard for such vulgar details as the mere cost of one's victuals. But think of the state of mind of a young man who, with the prices before him, is wondering what his beautiful companion is going to order.

**A** SATURDAY night audience is the easiest of an ordinary week to satisfy, because everybody is glad that the week's work is over and that a day of rest is coming. They are in a holiday mood, and an act or a play will often strike them as good even when it is not.

**A**N ADVERTISING agency recently noted the comparatively little use of advertising by enterprises in the south. In a recent issue of a magazine of national circulation containing 168 advertisements, only eight of these concerned southern products.

**A** NEIGHBOR of mine, an old Scotchman, never fails to consider the commercial aspect of any situation. On the morning after the papers carried news of Lindbergh's arrival at Paris, this old chap came over to see me, gravely shaking his head.

"What a mistake that boy made not to take his cat along," he said. "Think of the value it would have had as a souvenir. He could have sold that kitty for \$10,000!"





# Who says so?

Four strangers in a Pullman. One is saying:

"... and everybody knows you can't look for volume business from the northeastern farm market. There's nothing there but stony land and old, discouraged men. No money makers there—all gone west."

As he paused for breath his most attentive listener, over in the corner, nodded gloomily. But the man nearest the window, who had been reading a red-bordered magazine, smiled.

"Friend," he said, "your information isn't quite up to date. As Hetzel of Penn State says, here in last month's *Nation's Business*, 'the farming East is fighting back.'"

"The farms aren't all stony, and the farmers are neither old nor discouraged. The boys are coming home from college with new enthusiasm and new knowledge. The northeastern farmer is on the way up. Hetzel says so, and I believe he knows."

Just so. Ralph D. Hetzel knows. That's why he was asked to discuss the subject in *Nation's Business* for June. And for the same reason, Ogden L. Mills, Undersecretary of the Treasury was asked to talk about the country's finances

in the same issue. And leading newspapers all over the country reprinted it as authoritative.

Its monthly summary of business and its monthly map of business conditions focus the views of trained investigators in every part of the United States.

**WHO** says so? That's the question.

Well, let's see. There's John N. Willys. He knows automobile transportation. Senators Borah and Carter Glass know national legislation.

The President of the New York Stock Exchange and the President of the Investment Bankers' Association talk of safeguarding the public's money. Edward A. Filene of Boston certainly knows retailing.

When a Federal Trade Commissioner wants to tell the business world of a new attitude on

the part of the Commission he turns naturally to *Nation's Business*, and its readers as naturally accept him as authoritative. When a member of the Appropriation Committee wants to point out how heedless has been our reclamation policy he knows where he can speak plainly to 250,000 business men.

These men and many others of their calibre, understanding, far-seeing leaders all, have discussed the things they know so well in the pages of *Nation's Business* these last six months.

Opinions are the easiest things in the world to get but most opinions are idle repetitions of what some one said to somebody else. *Nation's Business* gives first-hand opinions from first-rate men.

So, month by month, *Nation's Business* gives its readers a wealth of fact and valuable opinion on the forces that are moulding and changing business and industry today.

By adding to your correct understanding of these things, *Nation's Business* can be a valuable help to you in making right decisions in the daily conduct of your own business. Send your check for \$7.50 for a full three year term, to *Nation's Business*, Washington, D. C.

## NATION'S BUSINESS

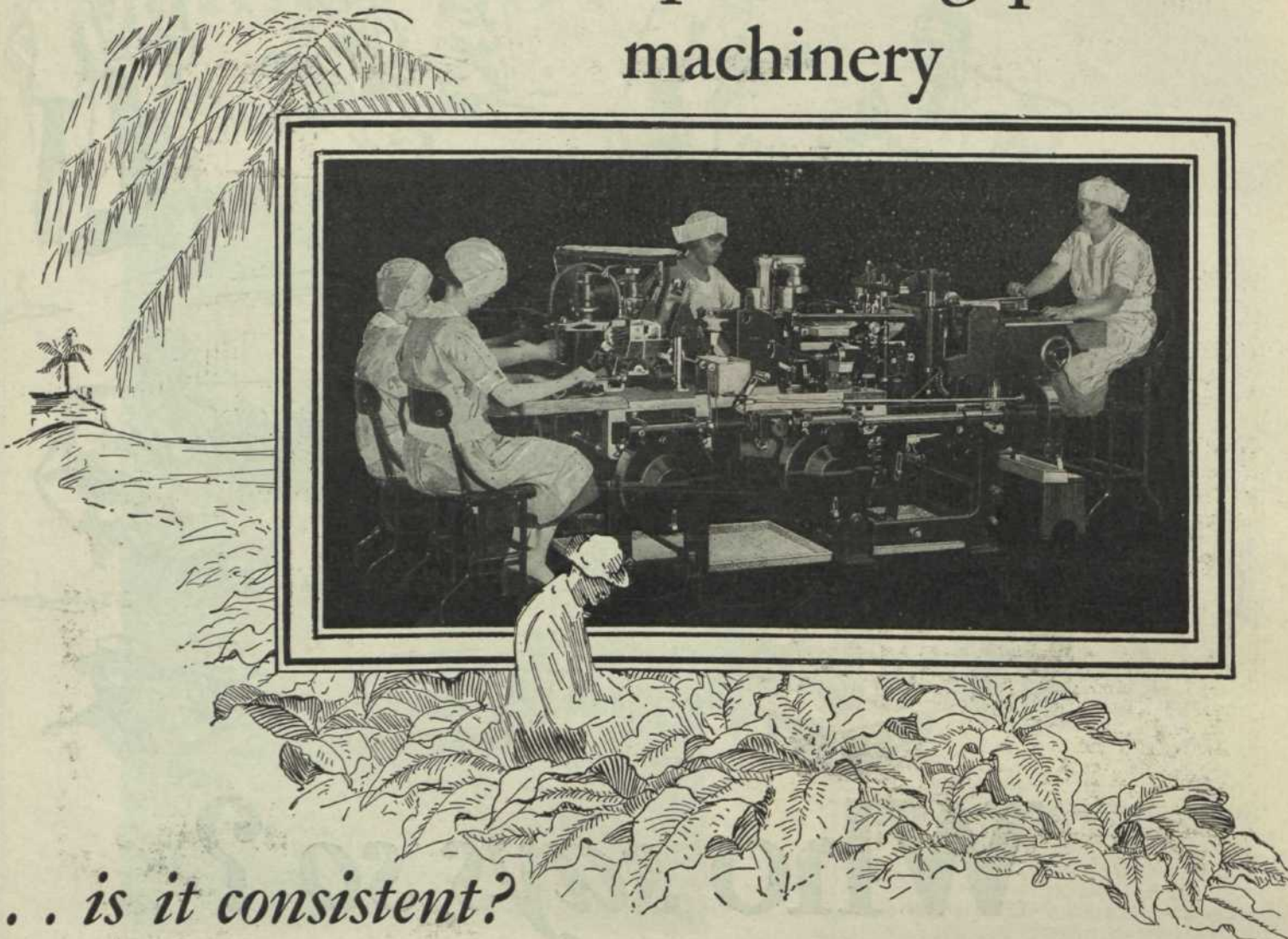
MERLE THORPE, Editor

A MAGAZINE PUBLISHED MONTHLY AT WASHINGTON BY THE CHAMBER OF COMMERCE OF THE UNITED STATES

One of a series of announcements appearing in the *Saturday Evening Post*



# Your producing partner— machinery



*... is it consistent?*

Consistency is a jewel to be sought as eagerly in the performances of your real producing partner, automatic machinery, as in your human business associates.

Consistent performance, day in and day out, year after year, is an essential characteristic of all the producing partners designed and built by the American Machine and Foundry Company for many varied lines of industry.

This is particularly true of the International Cigar Machinery Company's Fresh Work Cigar Machine as illustrated. This is the only automatic machine in the world that produces in one continuous series of operations, a complete long filler cigar. The comments of Mr. H. P. Wurman, General Manager of Bayuk Cigars Inc., are typical of the attitude of the industry regarding these machines.

"Our Philadelphia factories have nearly 200 Fresh Work Cigar Machines, each producing eight cigars per minute, with three operators and an inspector. The cigars are uniform in size, consistent in quality, and easy to pack.

"Only the use of labor and time saving devices enables us to put our Havana Ribbon and Charles Thomson cigars on the market at moderate prices. With the cost of labor, material, and overhead constantly increasing, Fresh Work Cigar Machines have cut our total production cost 25% as compared with hand labor.

"In November, 1926, we completed our new 12 floor factory with a capacity for making and packing over 500,000 cigars a day which are made by your machines. We are working on plans for an addition to this building which will double its capacity. Machinery has already been ordered."

Put *your* automatic machinery problems up to AMF engineers. Their experience in assisting many manufacturers to speed up production at lower cost will be placed freely at your service. Address the American Machine and Foundry Company, 5502-5524 Second Avenue, Brooklyn, New York. Branch offices at London, England, and Shanghai, China.

## AUTOMATIC MACHINERY

When writing to AMERICAN MACHINE & FOUNDRY COMPANY please mention Nation's Business



# Get *Long Distance . . .* the boats are coming in



THE EXECUTIVES of a large New York fish company do not wait for their steam trawlers to come in from the fishing banks. While the boats are hundreds of miles at sea they are notified by wireless of the size and nature of the catch. With this information at hand, long distance telephone calls are made to big dealers throughout the eastern section of the United States. The cargo is sold before the boats reach the docks.

BUSINESS IS INCREASING its use of Long Distance. Many concerns do millions of dollars' worth of buying via the telephone lines. Important individual sales. Weekly calls to preferred lists of dealers or customers. Special long distance selling campaigns. And for stubborn collections.

Wherever the telephone is used, it saves the costly time of waiting. Decreases the expense of traveling. Smooths out tangles and delays. Cuts the red tape of

bickering. Increases business. Long distance calls get things done with less fuss and fewer dollars. They put order and good results into a business. One of the best things about Long Distance is, it will nearly always cost less than you think. What distant call would be helpful and profitable now?... *Number, please?*

## BELL LONG DISTANCE SERVICE





# "Caterpillars"

## *and the bridge at* **CARQUINEZ**

### • Prices •

2-TON . . . \$1850

Peoria, Illinois

THIRTY . . \$3000

Peoria or San Leandro

SIXTY . . . \$5000

Peoria or San Leandro

A mighty achievement was the construction of the 4482-ft. Carquinez Bridge.

Mighty, too, was the task of building the approaches, moving earth, hauling supplies. There "Caterpillar" track-type tractors served . . . overcoming handicaps of wet weather, speeding up work when time was short, providing dependable power for numerous tasks.

*How can you  
use a "Caterpillar"?*

### CATERPILLAR TRACTOR CO.

Executive Offices: San Leandro, California, U.S.A.

Sales Offices and Factories:

Peoria, Illinois

San Leandro, California

Distributing Warehouse: Albany, N. Y.

New York Office: 50 Church Street

Successor to

**BEST** C. L. Best **HOLT**  
Tractor Co. Manufacturing Company



*better  
quicker  
cheaper*



**CATERPILLAR**  
REG. U.S. PAT. OFF.